

Judge to head Ulster inquiry into 'torture'

Army's request

By Our Political Staff

Government has agreed to set up an independent inquiry into allegations of torture and brutality by the Army against I.R.A.ists detained in Northern Ireland. A judge is expected to be appointed to head the inquiry this week.

Mr. Justice Scarman, who led the inquiry into the 1969 riots in Northern Ireland, is being approached. The inquiry has the full support of the Stormont Government.

Lieut-Gen. Sir Harry Tuzo, G.O.C. Northern Ireland, asked for the inquiry after a meeting with a delegation of leading Roman Catholics in Londonderry. Mr. Heath approved his request without question.

Lord Carrington, Secretary for Defence, is consulting Mr. Heath at Chequers this weekend on the precise form of the inquiry and where the hearing will take place. There have been about 20 formal complaints about the treatment of internees by soldiers and security forces.

Grossly exaggerated

A Ministry of Defence statement said the inquiry would "investigate the evidence relevant to the allegations made by or on behalf of those arrested under the Special Powers Act of 1968 about their treatment while in the custody of the security forces, press, or other persons serving in a detention facility." The statement said the inquiry would be "conducted in a confidential manner" and that the findings would be "made available to the public in a summary form."

The inquiry may well provide the extremists with a propaganda weapon but the Government is determined to do everything possible to allay the fears of the minority and to put its way to show that the extremists are concerned only to cause unrest.

Regaining the confidence of the minority will be the first priority in any political initiative when order and calm is restored.

Both the British and Northern Ireland Governments are studying means of securing the greater participation of the minority in the affairs of Ulster. Legislation is likely in the next session of Parliament to prevent any future Government in Northern Ireland going back on reforms undertaken over the last two years without provoking a constitutional crisis which could lead to direct rule.

Mr. Faulkner has agreed to consider how the minority can achieve more representation at Stormont. Proportional representation and even representation in the Government are not ruled out although Northern Ireland ministers do not believe this latter proposal is workable.

The offer of chairmanships of committees remains open and Mrs. Faulkner hopes Opposition Members will reconsider their rejection of the plan.

No recall

Mr. Whitelaw, Government Chief Whip, is expected to announce tomorrow that the Government does not intend to recall Parliament to debate Northern Ireland for the time being. Ministers accept that circumstances may arise before Parliament resumes in October which might justify an emergency sitting.

To hold a debate now would put the initiative in Mr. Wilson's hands. If Parliament is to be recalled it is more likely to be at a time when the Government has something positive to announce, such as additional aid for Ulster or some conclusion about minority participation.

Mr. Thorpe, Liberal leader, joined those demanding a recall in a speech in North Devon yesterday.



RECOVERING from mild concussion and shock in a Belfast hospital yesterday, James Magilton, 59, a Protestant living in an almost exclusively Catholic area, who was arrested because he admitted to having a pair of guns. He was later able to prove that he held licences for them.

RIGHT: JOHN MURPHY, 61, claims soldiers seized him when he moved his dustbin away from his back gate to take his dog for a walk. Both men said they received rough treatment after arrest.

Britain-Malta deal in offing

By JOHN MICHAEL
Commonwealth Correspondent

BRITAIN and her N.A.T.O. allies are expected slightly to increase their joint £8,500,000 offer to Malta for keeping British forces in the island. This, it was understood in N.A.T.O. circles yesterday, is likely to lead to a settlement.

LIBYA RAISES HER PRICE

By a Diplomatic Correspondent

LIBYA'S radical President, Col. Gaddafi, is said to have told Malta's Prime Minister, Mr. Mintoff, that the exclusion of British and other Western forces is no longer sufficient as a precondition of Libyan aid.

In addition, Col. Gaddafi is now demanding the exclusive right to station his own forces on the island.

The basic facilities required by Libya were apparently put to Mr. Mintoff when he made another flying visit to Tripoli last week to see the Libyan leader.

The Libyans are said to be seeking landing rights for their military aircraft (which include sophisticated French fighters) and the stationing of what are termed Libyan "police units" on Malta.

Malta has a police force of its own for which it already reports to the United Nations. The West Germans have offered to supply helicopters, fast patrol boats and special lorries.

Whatever police units Libya has are in fact military or paramilitary. This is therefore tantamount to a demand for a military occupation.

Earlier this year, when the pro-Western Nationalist Government of Dr. Borg Olivier was still in power in Malta, the Libyans astonished everyone by asking if their military aircraft could land at Malta on "training flights".

The request, which was politely but firmly shelved, was thought to have been a possible

Continued on Back Page, Col. 3

Girl accused of murder

Sunday Telegraph Reporter

A 14-year-old girl was accused yesterday of the murder of Roisin McDillon, five. She will appear tomorrow before magistrates at Colleshill, Warwickshire.

The battered body of Roisin was found in a wooded thicket three quarters of a mile from her home at Brook Farm, Warwickshire on Wednesday night.

The 14-year-old girl was detained at lunchtime yesterday. Police hunting the killer interviewed more than 1,000 people.

51 INDIANS KILLED

Pakistani troops in Karachi yesterday were reported to have killed 51 Indian soldiers on the Pakistani side of the border. The Indians were said to have been found in a hideout in the Sunderman Forest—Reuters and A.P.



Sunday Telegraph pictures

38 BOOKED IN SOCCER PURGE

Sunday Telegraph Reporter

THIRTY-EIGHT players were booked in Football League matches yesterday, including England international and Stoke City goalkeeper Gordon Banks. Four Lincoln City players had their names taken in the second half of their local "derby" against Scunthorpe.

The tally brings the number of players booked in the first eight days of the season to at least 120.

In their campaign to improve discipline both on and off the field, the Football Association

and the Football League have gained the support not only of referees, but of police and magistrates.

Shortly before the start of yesterday's matches a 20-year-old labourer was fined the maximum of £100 for assaulting a policeman.

The police gave support to the new tough measures. They kept a close watch on matches throughout the country.

Police in Exeter stopped a coachload of skinheads arriving for the match against Grimsby.

David Miller: What went wrong—P.15; Division One Toes the Line—P.27.

—Moriturs to saluto!

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YARD ARREST FIVE IN RAIDS ON ANGRY BRIGADE

By PETER GLADSTONE SMITH

At least five people were detained last night and gelignite, firearms and machine guns seized in surprise Scotland Yard raids on 20 London houses in an operation planned to smash the Angry Brigade.

More than 50 detectives from the Flying Squad, Special Branch and operational divisions raided houses in Stoke Newington, Islington, Holloway and Notting Hill.

The first of the raids led by Det. Chief Supt. Roy Haber-shon was at 4 p.m. on Friday at a house in Amburth Road, Stoke Newington. Two young men and two girls were taken away from the top-floor flat.

Detectives in hiding

Detectives hid on the premises overnight and arrested a young man who arrived at 10 a.m. yesterday. More raids took place yesterday. Further raids are expected today.

Scotland Yard's explosives expert, Major D. V. Henderson, was called in to analyse the substances seized in the raids. The operation was master-minded by "Commander X," the senior Yard man given the task of smashing the Angry Brigade.

It was prepared in intense secrecy over a long period. Many addresses have been watched, seized documents have been scrutinised and a number of suspect organisations have been infiltrated by Special Branch agents.

A Scotland Yard statement said: "A number of people together with arms and ammunition have been seized."

The statement added that the operation was continuing. The five people arrested were questioned at Stoke Newington police station. They were taken to a three-story Victorian terrace house 200 yards from the police station.

The Silent brigade

Neighbours said that two men and two women in their mid-twenties occupied the top-floor flat just before the school summer holidays started. They seldom spoke to other families in the flat below. It was thought that two were teachers and two were students.

The men wore their hair long with sideboards. One of the women generally wore a mini-skirt and the other a maxi dress.

In another raid a large quantity of documents was seized and taken away for examination. Police dogs trained to sniff out explosives were used in the searches which followed.

PUBLISHER AS ARTS CHIEF

By Our Theatre Reporter

MR. PATRICK GIBSON, the 55-year-old publisher and trustee of Glyndebourne Festival Opera, is to succeed Lord Goodman as chairman of the Arts Council of Great Britain when Lord Goodman's extended term of office expires on April 30 next.

Mr. Gibson, who is chairman of Penguin Publishing and Pearson Longman, is a keen lover of the arts and serves on the councils of several arts bodies. His administrative strength and cultural interests are an essential combination for his appointment.

Viscount Eccles, Paymaster General and Minister responsible for the Arts, will appoint the Arts Council chairman but he is guided in his choice by the Council and Mr. Gibson is known to be its prime choice.

COWDRAY'S VICEROY

Educated at Eton and Magdalen College, Oxford, Mr. Gibson is chairman of the advisory council of the Victoria and Albert Museum and is on the United Kingdom Arts Advisory Commission of the Gulbenkian Foundation.

He is also a member of the executive committees of the National Trust and National Art Collections Fund and treasurer of the Historic Churches Preservation Trust.

Mr. Gibson is married to Elisabeth Diane Pearson, a cousin of Lord Cowdray, the chairman of S. Pearson and Son Ltd., the parent company of Pearson Longman.

Pearson Longman owns the Financial Times, the West Minister Press Group, which has a string of provincial newspapers, and 50 per cent of the Economist and of the Investors Chronicle. He is also vice-chairman of S. Pearson and Son and has been dubbed "Cowdray's Viceroy."

Lord Goodman was appointed in 1965 by a Labour Government. The usual tenure of office is five years but last year he agreed to serve for two more years. His other interests, which include chairmanship of British Lion, are too pressing for him to agree to another extension.

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DONALD LAST

Benelux countries, Belgium, Holland and

bourg, have agreed to

set up a separate mini-

bloc within the three

countries together on

parities, while float-

ing a single unit against

the dollar. The rest

of the six will start the

joint float when their

foreign reserves open.

Benelux countries are

implementing a plan

to unite in Europe which

is pressed upon them

by market colleagues at

Friday's abortive Minis-

teeing in Brussels. But

unacceptable to both

France and Germany.

here, Israel has decided

to use her pound by about

15. It was reported last

night: Our Del-

Opportunity, and

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st's Debt for U.S.

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ese Testing Dollar

Strategy—Back Page.

Israel will be the first

to devalue its currency

President Nixon's

Chancellor Willy

of West Germany has

France that he is

summit talks on the

echoing the Benelux

who are calling for

distal talks in early

before the next

date, September 13.

Benelux countries' cur-

rent is symptomatic of the

and chaos created by

crisis.

CONFUSION

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will float to be-

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Ceausescu's fighting call to Rumania

By ANNELISE SCHULZ in Vienna

A MID indication that Russian pressure on Rumania is building up President Ceausescu has recalled the glory and heroism of the Rumanian people in their fight for

NEUTRAL STAND ATTACKED

By JOHN MOSSMAN in Moscow

An article in a Soviet journal accusing China of attempting to divide Eastern European Socialist countries, was taken by observers in Moscow to be an oblique criticism of Rumania's neutral stand.

The journal, *Zo Rubezhom* (Abroad), published by the Soviet Union of Journalists, said the Chinese leaders were "now attempting actively to apply a special approach towards individual Socialist countries, aiming at setting some of them against others and shattering the Socialist community."

It said that China had attacked and misrepresented Soviet policy and went on: "The Peking leaders used the attack at a counter-revolutionary coup in Czechoslovakia to launch an attack on Socialist countries and put pressure on healthy forces."

WIDER CONTACTS

China, said the journal, took an anti-Soviet stand in order to widen its contacts with "imperialist States."

"These imperialist States, in turn, use the Chinese leaders' anti-Soviet stand to create difficulties within the Socialist community and put pressure on the Soviet Union."

"The time has come when these States should realise that it is fruitless to put pressure on Russia in the hope that it will depart from its present positions."

BETTE DAVIS SUES

Bette Davis, the American actress, is suing the producers of her latest film, *Bunny O'Hare*, for £1,370,000 damages. She alleges that they changed the film into a tasteless and inartistically assembled slapstick production.

—U.P.I.

BRITONS DERIDE 'DECENCY SQUADS'

By LESLIE CHILD in Rome

ITALY'S "decency watchdogs" are facing bitter criticism for their heavy-handed action against foreign girl tourists. A British teenager spent two days in prison on a charge that was laughed out of court.

Tourist industry officials are expressing concern that the cases could bring Italy into such disrepute that increasing numbers of young holidaymakers will simply boycott a country that they consider "too square".

British consulate officials in Florence are so outraged about what happened to a 17-year-old London girl student last week that they are demanding an apology from police.

FOUNTAIN KISS

The girl and her American boyfriend aged 20 were arrested after they were spotted kissing near the Fountain of Neptune in the city's busy centre, Piazza Della Signoria.

The pair were charged with "committing obscene acts in a public place". After two nights in prison, they were brought before a court with exceptional speed, due to the intervention of the British Consulate.

Police said yesterday that the girl was still in the city, and believed to be studying at a college.

The judge dismissed the case, saying that the charge was "totally without foundation."

In another case in the Sicilian capital of Palermo a 27-year-old Danish girl has been charged with "acts contrary to public decency" because she was strolling about in hot pants. If convicted she can be sent to prison for up to one month, or fined up to £25.

Miss Lise Wittrock, a medical student on a cultural exchange programme, was seen by Dr. Vincenzo Salmeri, 52, chief judge of the city's criminal court.

WOMEN'S LIB. PARADE

He ordered two passing policemen to detain her on the spot, explaining indignantly: "You could see her buttocks."

The Palermo branch of Italy's newly formed Women's Lib. movement has announced that its members will stage a sexy protest parade under the office window of the judge, wearing "really short but not too short" skirts and "hot pants".

The English girl told police at the time of her arrest that what she was doing is perfectly legal in Britain.

In East Germany on Friday *Neues Deutschland* warned the Rumanians on the eve of the third anniversary of the invasion of Czechoslovakia, that "others have bloodied their noses when intending to open an anti-Soviet front."

Bolivian troops in clash

THOUSANDS of Bolivian troops loyal to Left-wing President Juan Torres fought last night with Right-wing rebel army units in La Paz and the south-eastern mining centre of Oruro.

Two loyal Army battalions in La Paz launched a heavy attack on the headquarters of the Army General Staff which earlier yesterday, went over to the rebels and demanded the President's immediate resignation.

General Torres, 47, proclaimed himself President on October 7 last year.

In Oruro, 140 miles away, armed miners and troops backed the Government, battled against rebel units in the streets.

The Bolivian Red Cross said that four people had so far been severely injured in La Paz.

'FASCIST CHARGE'

The President is believed to have the support of 5,000 troops in La Paz. The rebels are backed by the military, mainly the Castillo Regiment and the Military Academy.

The military government has claimed that the rebels are fascists, while the insurgents say they want to save the country from economic ruin and Communism.

Two political parties, the Nationalist Revolutionary Movement and the Bolivian Socialist Falange, are behind the insurrection.

In neighbouring Chile, Communist and Leftist newspapers came out strongly in General Torres's favour.

President Allende of Chile has frequently praised the leftist and nationalist policies of the Torres regime.—Reuters, A.P.

Pakistan envoy flees to Britain

SUNDAY TELEGRAPH REPORTER

MR. ABUL FATEH, 45, Pakistan's Ambassador to Iraq, has given up his £5,000 post and flown to London with his wife and children to join the Bangla Desh freedom fighters. Yesterday in a tiny office in the City he said: "The last few months have been the greatest agony of my life. I have been experiencing a nightmare."

Since the West Pakistani activities in Bengal, nearly 20 Pakistani diplomats have defected to Bangla Desh. Fourteen went from Washington, two from London and several more from the Indian-Pakistani delegations.

Mr. Fateh's flight to London came as a surprise to both Bangla Desh and Pakistani officials in Britain. A spokesman for the Embassy said: "We have not heard of this. It is most unlikely."

'Last straw'

The Ambassador left the Embassy in Baghdad on Thursday with his wife and two children, aged 14 and 12. They caught a B.O.A.C. VC10 which arrived at Heathrow on Friday night.

Later that evening he contacted the Bangla Desh special representative in Britain, Mr. Justice Abu Sayeed Chowdhury, who yesterday swore him into the ranks of the Free Pakistan organisation.

"Ever since the West Pakistani

army launched its attack on my people I knew I could not continue in my job for more than a few months," he said yesterday. "I had hoped that sanity would prevail, but finally when Sheikh Mujibur Rahman was put on trial I found it was the last straw."

Mr. Fateh is the most senior diplomat ever to defect to the Bangla Desh cause. He was born in East Pakistan and was formerly Deputy High Commissioner in Calcutta.

He said: "My family and I have brought a little money, but not a lot. We are determined to fight for the freedom of our country. I thought London was the best place to go. I did not tell my children of my journey until half an hour before we started off."

Mr. Fateh is staying for the time being at a Kensington hotel, but says he will soon look for somewhere "more modest."

At Heathrow he entered Britain on his diplomatic passport and told immigration officers he was here for a holiday and, perhaps, to find a school for his children.

U.N. chilly on Oxfam talks

By TONY BRENNAN in New York

UNITED NATIONS officials in New York gave a chilly response to efforts being made over the weekend at a conference organised by the Canadian branch of Oxfam to find political and humanitarian solutions to the problems of East Pakistan.

A spokesman for the United Nations said tersely: "We welcome any assistance of a humanitarian nature, but we have no comment to make as to what the achievements of the conference are likely to be."

United Nations coolness towards the Toronto meeting was seen by some observers to be based on the fact that the conference was being chaired by Mr. Hugh L. Keneleyside, a former senior United Nations official, who in recent months has been highly critical of the world organisation.

'Idleness' charge

Mr. Keneleyside, who from 1950 to 1953 was Director-General of the United Nations Technical Assistance Administration and later Under-Secretary-General for public administration, recently accused the United Nations of administrative chaos and overstaffing.

There were, he said, "pockets of idleness" that in turn, became infected with sloth and a lack of discipline," he said.

A spokesman for the conference of political, military and economic experts, said on Friday that Mr. Keneleyside, with Mr. John Kenneth Galbraith, the American economist, scholar and former Ambassador to India, had been "prime movers" in setting up the meeting.

The conference is also being attended among others by Mr. Bernard Braine, the Conservative M.P. Mrs. Judith Hart, Britain's former Minister for Overseas Development, and former General Chandhuri, former

Commander-in-Chief of the Indian Army.

United Nations coolness to the Toronto meeting was reflected by another official who said: "This is a delicate matter and I doubt whether public conferences are going to help."

So far, United Nations activities have been mainly directed to relieving the plight of millions of refugees from camps in India and moves on the political front to ease the situation between India and Pakistan have been mainly unsuccessful.

Additionally, U Thant, the secretary general, has angered President Yahya Khan of Pakistan by saying that the trial of Sheikh Mujibur Rahman, leader of the outlawed Awami League, "would have repercussions outside the borders of Pakistan."

300 B.C. ship discovered

By Our Correspondent in Marsala

British archaeologists believe they have found a three-century B.C. warship off the island of Mozia, near the western coast of Sicily. An expedition led by Miss Honor Frost has found what looks like the ram end of a warship.

But the expedition is threatened with failure through lack of resources and the theft of its boats. Miss Frost's team needs some equipment to raise the ship before storms bury it again or break up the exposed timbers.

France with the lid off

ON September 10 B.B.C.2 is to show a controversial film about the French Resistance which cannot be shown on French television screens for political reasons.

It is called "The Sorrow and the Shame," and tells a number of home truths about wartime France.

The B.B.C. version has been translated into English by the producer, Max Ophüls, but he has left in sample fragments of French. Viewers will be able to judge whether Lord Avon's French accent is worse or marginally better than Mr. Heath's.

Other Britons to appear are Maj-Gen. Sir Edward Spears, an S.O.E. radio operator, called Denis Raikes and an R.A.F. man shot down over France. But for me the real stars of this fascinating documentary are two stout wine-drinkers who set up the Resistance around Clermont-Ferrand.

The film, which is showing in two Paris cinemas, lasts four-and-a-half hours. In Paris there is a half-hour break for refreshment and recuperation. B.B.C. viewers will only have the News.

Premier's perks

UNDER Lord Lee of Farnham's Chequers Trust of 1917, the Prime Minister receives £15 personal expenses for every weekend he spends at the country retreat which the Trust provided.

This sum would have been worth four or five times its present value in those days, but there has been no claim for an increase.

Mr. Heath's £15, for what it is worth, by staying there last weekend; but even if he had not, he would still have earned it by spending most of the week at Chequers.

Under the trust a weekend is defined as "a continuous period of not less than 36 hours in any seven consecutive days."

But the Prime Minister cannot be paid for more than one weekend in any week.

Sermons in stone

NEXT Sunday Dr. A. L. Rowse will tear himself away from his Cornish island and the profits of his book, "The Elizabethan Renaissance," to appear in the pulpit of Linkinhorpe Church.

He will give an address on the quincentenary of St. Henry Trecarrel, who was born in 1471.

Trecarrel built the splendidly sculpted parish church at Launceston, the fine church tower and north aisle at Linkinhorpe and Trecarrel Hall, the grandest medieval hall in Cornwall, except Cotehele.

Dr. Rowse is having some trouble in the preparation of

his address, but he is ailing, a relatively rare and very painful form of arthritis.

Mr. Fisher told me that doctors were amazed at his courage and endurance. He was in constant pain for 20 years of his political life in high office and Opposition.

Paper chase

SCHOLARS and researchers, I find, will never be able to use what should be an invaluable source of historical material—the papers of the

late Sir Henry Trecarrel, who was born in 1471.

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He gave an example of the meaning of between 60,000 and 70,000 refugees from camps in the Gaza Strip to new settlements. This, he said, took time and required long-range planning.

RIVER DEFENCE LINE

But if he did not mean annexation he made it clear yesterday that he expects the Israeli Army to remain on the West Bank after peace.

"A permanent settlement with Jordan must include the continuing presence of the Israeli Defence Force on the Jordan River Line."

"I cannot but provide for Israel's right to settle in any place where she chooses on the West Bank of the Jordan, provided this is in no way prejudicial to the population of these areas."

Later on he reverted to this theme. West Bankers, he said, wanted Israel to leave their area so that they could decide for themselves whether to establish their own State or be linked with either Israel or Jordan.

But "I am not prepared to leave it to them to decide what should happen in the space between the Jordan River and the hills of Judaea and Samaria."

For the first time, White Cabinet Ministers, dined with Black leaders. There was also the brief but symbolic experiment in integrated living with President Banda and his entourage staying in a "Whites only" hotel.

Editorial Comment — F.I.A.

ALBANY at last



National Monuments Record. Crown © Trecarrel Hall. It is now a farm.

his address, as very little is known of Sir Henry.

"The stones of his churches will speak for him," he says, "or rather, I will be their interpreter."

End of the line

A grim story attaches to Trecarrel Hall. An astrologer foretold the death of a son, if one were born to Sir Henry Trecarrel.

The son was duly born and was treated with special care. But one day, when his nurse left the room, the baby plunged head foremost into the bath and was drowned.

The child was the last of the Trecarrels, and his father never finished his great hall.

Verb sap

PERHAPS the thought has occurred to the high ranking but anonymous police officer who has been searching for members of the Angry Brigade, that the Latin for anger is IRA.

Just a red herring?

Lion Heart

MANY people wondered at the cause of the ill-health suffered by Iain Macleod, who died so tragically on July 20, 1970. As he would never talk about his health, they could only speculate.

Nigel Fisher, the M.P. for Surbiton, who is nearing the end of a biography of Macleod, tells me that the war injury which shattered one of his legs was probably a result of a relative's ill-health, in the opinion of most doctors.

He suffered from ankylosing spondylitis, a relatively rare and very painful form of arthritis.

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But if he did not mean annexation he made it clear yesterday that he expects the Israeli Army to remain on the West Bank after peace.

"A permanent settlement with Jordan must include the continuing presence of the Israeli Defence Force on the Jordan River Line."

"I cannot but provide for Israel's right to settle in any place where she chooses on the West Bank of the Jordan, provided this is in no way prejudicial to the population of these areas."

Later on he reverted to this theme. West Bankers, he said, wanted Israel to leave their area so that they could decide for themselves whether to establish their own State or be linked with either Israel or Jordan.

But "I am not prepared to leave it to them to decide what should happen in the space between the Jordan River and the hills of Judaea and Samaria."

For the first time, White Cabinet Ministers, dined with Black leaders. There was also the brief but symbolic experiment in integrated living with President Banda and his entourage staying in a "Whites only" hotel.

Editorial Comment — F.I.A.

WORLD CHESS

In the semi-final women's world chess championship tournament Kasparov won the third round against the Russian, and now has three points to nil.

In the final of the 1970 championships for men, Vaganian of Russia, of Moscow, of Czechoslovakia, second round, and now has three points to one.

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Big drive against Tube 'muggings'

SUNDAY TELEGRAPH REPORTER

LONDON TRANSPORT POLICE have formed a special squad to find gangs that are roaming the London Underground carrying out New York-style "muggings" of passengers. Already this year 79

Air deal off

By DEREK WOOD, Air Correspondent

THE R.A.F. has had to back out of a £12 million deal to buy urgently needed American helicopters because the Ministry of Defence budget is over-run by millions of pounds. The budget is made up on a term basis. At intervals it is reviewed to see whether estimates are being kept. The latest examination is expected to show a big over-run, largely on naval equipment. To balance the books, cuts have been ordered by the Army by the R.A.F. The 40-seat helicopters to be formed the first phase at a cost, with spares,

passengers have been robbed of wallets, watches, jewellery and handbags by gangs of young men.

Some robberies have been carried out amid crowds in daytime at Piccadilly Circus station and in packed carriages of the Bakerloo Line between Queen's Park and Baker Street.

Others have been on lonely platforms and deserted trains late at night on the Northern Line in the Tooting area. Men have been threatened by gangs of four and debagged after being robbed.

Often a "mugging" begins when a gang member asks an unsuspecting passenger the time, to see the quality of his watch.

Secret H.Q.

The head of London Transport police, Mr. A. G. Peedle, is determined to prevent the London Underground from becoming like the New York subway, where 3,700 police are needed to ride every train outside the peak hours.

The special squad intends to identify the robbers, watch their homes and follow them whenever they go by tube. It will operate from a secret headquarters.

The detectives will mingle with the gangs in the public houses and clubs at which they meet before and after the "muggings". It is known that the buffet at Waterloo station is a favourite rendezvous.

As soon as the gangs move off they will be arrested for intent to rob. The squad will not wait for passengers to be attacked.

More police

To stem the increased violence, London Transport is being recommended by British Transport Police to increase its police force of 154 by six per cent.

As an experiment, every passageway at Oxford Circus station has been wired with aerials connected with police headquarters so that the police can use personal radios to call for help. Until now the police have been handicapped because radio waves will not carry underground. It is hoped to extend this system to the whole of the Underground.

A London Transport spokesman said that although violence was a problem it should be kept in perspective. There were 142 robberies reported last year, but two million passengers were carried every week-day. Thirty-nine of the robberies were cleared up by conviction.

Lord Reith leaves £76

Sunday Telegraph Reporter

Lord Reith, first Director General of the British Broadcasting Corporation, a member of the Government in the 1930-45 war and former chairman of the British Overseas Airways Corporation, who died in June, aged 81, left a net estate of only £76 in Great Britain, according to his will, published yesterday.

The gross amount was £6,155. Lord Reith, who lived at The Queen's House, Moray Place, Edinburgh, left his property to his wife, his son Christopher, who succeeded to the title, and his daughter, Marjorie Muriel, who is married to a Glasgow Glasgowman.

The small amount left by Lord Reith, who had in his lifetime held various directorships including Phoenix Assurance, the British Oxygen Company and Tube Investments, gave rise to some speculation yesterday. The second Baron declined to comment but a source close to the family said: "There is nothing sinister about it."

Other wills - P.A.

Harvey Smith misses show

Sunday Telegraph Reporter

Harvey Smith, the Yorkshire show-jumper whose two-fingered gesture last weekend offended Mr. Douglas Bunn, owner of the Hickstead show ground, did not attend the Chichester Horse Show yesterday. He appeared instead at a Doncaster miners' gala.

Mr. Bunn was a principal guest at Chichester and two of last weekend's Hickstead judges officiated. Mr. Peter Cherkett, show chairman said: "We are very disappointed that Harvey hasn't turned up."

At Doncaster, where Smith won the Hunting competition, Counsellor Michael Woods, a gala organiser, said there was no question that the rider had offended the Chichester show. He had promised to appear here 12 months ago," he said.

Mandrake: Riding to win - P.A.

£25,000 WINNER

The weekly £25,000 Premium Bond prize was won yesterday by a bond number 852240809. The winner lives in Kent.



OUTSIDE THE EMPLOYMENT Exchange at Newton Abbot, Devon, members of the Claimants and Unemployed Workers' Organisation give free lettuce yesterday to an unemployed man. This week the local branch of the movement will open a non-profit shop to sell allotment-grown vegetables to the workless.

JOBLESS GROWING SELF-HELP FOOD

By JOHN OWEN

UNEMPLOYED men at Newton Abbot, Devon are growing food and distributing it to others unemployed. They are part of a growing nationwide "self-help" movement.

The Claimants and Unemployed Workers' Organisation was started 15 months ago by a Barnsley, Yorks, jobless miner. It now boasts 10,000 members in 78 branches throughout the country.

The non-political organisation is a revival of the National Unemployed Workers' Movement of the 1930s. The Newton Abbot branch is the first to start food self-help.

Members grow the food on derelict allotments and distribute it at the labour exchange. Last week those queuing for unemployment benefit were handed free lettuce, spinach and beans.

The branch this week will open a discount centre in a Methodist church room. Food will be sold there to unemployed at cost of production price.

Discount plan

The branch this week will open a discount centre in a Methodist church room. Food will be sold there to unemployed at cost of production price.

Ex-Clyde chief in U.C.S. talks

By Our Political Staff

SIR CHARLES CONNELL, 71, the shipowner and S formerly deputy chairman of Upper Clyde Shipbuilders Ltd., had entered the negotiations for the rescue of units of U.C.S. He has had talks with Mr.

Robert Courtney Smith, the U.C.S. liquidator, and Sir John Eden, Minister for Industry.

Sir Charles is interested in taking over the Scotstoun yard which he owned before the formation of the Upper Clyde consortium.

As a shipowner—he is chairman of a number of shipping companies—he could guarantee building and repair work for the yard.

This development came with growing optimism that all the U.C.S. yards might be saved. Sir John Eden is speeding up the preparations for appointing the Embryo Board for a new State-backed company based on the Govan and Linthouse yards.

The first appointments are likely to be announced early next month.

Mr. Archibald Kelly, the Clydeside industrialist, reported good progress in talks with shop stewards on his plan to buy-up all the U.C.S. yards.

Mr. Kelly is meeting the liquidator in Glasgow tomorrow for financial talks. He said yesterday that he hoped to get some indication of the price he would have to pay for the yards and how much capital he would have to find.

Aid for buyers

"If my financial adviser considers each of the yards a viable proposition then I intend to endeavour to raise the capital and to buy all the viable yards," he said. "If he tells me it is not a worthwhile proposition I will say forget about it."

Mr. James Reid, Communist leader of the U.C.S. shop stewards Co-ordinating Committee, said the Government was now duty bound to encourage the proposals put forward by Mr. Kelly.

So far the Government has given no hint of the amount of public money it is prepared to make available either to concentrate shipbuilding on the Clyde in the two yards proposed by the Advisory Committee or to support private ventures.

Mr. John Davies, Secretary for Trade and Industry has made it clear that the Government will provide no more cash for any proposition which does not have copper-bottomed viability. But he has not ruled out aid to private buyers.

Mr. Kelly and Sir Charles have both been told that assistance would be considered for any scheme which could be profitable from the outset.

Bad spell for the met. men

Sunday Telegraph Reporter

THE Meteorological Office experts were wrong again with their weather forecast yesterday for the second day in succession. The accuracy of short-term forecasting is now under question.

Already the long-term forecast for this month is proving inaccurate. Little of the above-average sunshine promised by the forecasters has been seen.

With the short range prediction the forecasters admit sometimes to having to catch up with what the weather is actually doing before the forecast is absolutely accurate.

It is this tendency to chase the weather rather than keep ahead of it which often leads to wrong predictions. In the last two days alone forecasts have been changed after it had become obvious the weather was not behaving as anticipated.

THUNDER SHOWERS

The forecast for Friday promised intervals of "hazy sunshine". In the event, the skies stayed heavy and overcast all day until eventually weathermen changed the forecast in line with the continuous thundery showers over most of the country.

Yesterday it became clear the forecast of "cooler, brighter and dryer" weather, given on Friday night, was not what people were experiencing.

By mid-morning, with skies overcast and light rain falling, the weather experts caught up with themselves again. The forecast was amended to "cloudy with rain and drizzle."

This was to change yet again at lunchtime when the rain had stopped. The forecasters covered themselves by inserting the words "at times" into their forecast of clouds and rain.

FAIRLY UNUSUAL

An official at the London Weather Centre said yesterday: "I think it fairly unusual for us to get it wrong. Information may be slow coming in. Then when you realise something has happened you have to change."

"Our reassessment may be lagging behind. This sort of thing does not happen very often."

However, an independent survey carried out by The Sunday Telegraph this year showed that only six of 31 official 6 p.m. daily forecasts were completely accurate. The survey showed that the forecasters put up their worst performance during a period of unsettled weather.

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Year	Annual Income (After Tax)	Excess/Deficit (1st October)
1958	£400	£5,671
1959	£400	£7,268
1960	£400	£8,979
1961	£400	£8,036
1962	£400	£8,331
1963	£400	£9,610
1964	£400	£8,833
1965	£400	£8,840
1966	£400	£8,249
1967	£400	£10,056
1968	£400	£14,429
1969	£400	£11,926
1970	£400	£11,773
1971*	£200*	£11,864*

* to 1st April
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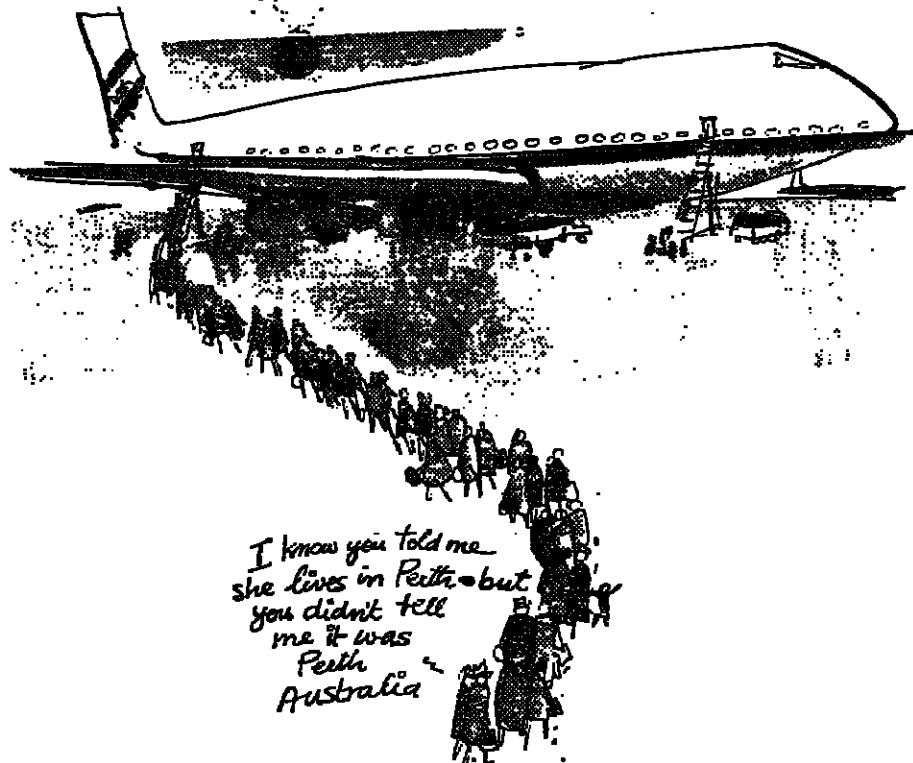
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The Gauntlet

Short story by
**ROSALIND
BRACKENBURY**

had always been such a good daughter, this Maria-Stephanos. We saw her daily as we peered the dark interior of the café, the flies buzzed and the chairs empty before the midday meal, would be cats under the tables, and Maria in the kitchen, eaves rolled, her head thrown above her stirring, sorting hands her nostrils sought a finer scent than the rich smells that came from the pot of fasoulas or meat that she cooked.

saw her stand back, sigh, throw ice through the window to the grey hills and the olive groves, her face upon her arm and wait, the dark brows arched in anxiety first customers came in to take seats.

saw her open drawers and pull a silver fish for the tourists to see, saw her imperious arm sweep a range of dishes in her kitchen, saw and aubergines, fish and potatoes and fresh roasting potatoes, saw her step boldly in and taste, and we heard her shout back to the "Kras, Stephan!" and urge the boy to hurry with his tin mug and his plate of bread, to another guest.

sat often, Grigoris and I, in a of her father's café, sipping swishing wine, breaking off a chew with an olive, lighting up a cigarette, as morning drew on, and the flies buzzed and meridian-fierce light outside upon the white street; as our inners waited for us at home, a long sleep of the afternoon, we was no hurry. Oh, we saw all coming and going at the end of the day, after day the plates heaped with ripe od, and the customers hungry in the sea. But we never saw Maria.

the man who changed it all, small as to be almost invisible, darkest recess of the café. Here ere when we came in, but he past his table without noticing Grigoris and I, thirsty after a g's fishing; then, as we sat with sk of bitter wine before us, we s face in the receding gloom, and pale as a peeled almond, not ove his glass, and his hands, olives and pieces of cheese, up one and popping them into his. But not until he rose to go, ned to drop a coin upon the or Stephanopoulos's boy, did we e the shortness of his little legs, neat trousers and the shocking erance that made a mountain thin shoulders under the black

Grigoris said, "Well, he's no is he?" and I wished he had more softly. For there was ing about the little man—as if ht hear and remember. And lay, after that, he was there in ner, his cool fingers taking the coffee, the glass of ice water, laria's hand, receiving his wine, plate of beans as he brought on her oven. One day, perhaps, hand and the hot hand touched; wards it was never quite the

w old d'you suppose she is?" and I covered our heads and ut again into the brilliant after-

I don't know. Thirty, thirty- rd to say, really isn't it." : a virgin, wouldn't you say?" ned. We were both fascinated way things were going, in that mer of the café.

sure. No doubt about it, a certain hardness about her. I never had a chance, really, it father."

it was not that she was ugly; g, yes; a little too muscular, with those brown forearms g as she chopped her meat. oo, you might say.

re's something about a hunch- ope say. Some women go for Grigoris's brown eyes laughed sideways, but I did not reply pected.

the first time we heard of it anything serious was when nen started to talk, down at p on the quay. I was alone, z in the pocket of my loose dune, or a few coins to buy wine. The use out of the dusk and stuff- ut me, fluttering like moths, us for a tragedy that had only un.

have you seen him, the shape I mean, any self-respecting m, apparently, she's all set to m.

m, well, the old man'll put a that, I can tell you. I've heard said he'd kill them both rather it go on.

ung voice giggled, far back ueue, "I expect he's jealous, astard. They do say, you know, y have something about them. w, make up for it in other s."

il! What a thing to say! The men muttered and grumbled ut were amused. I was awed, ted my turn, by the communal nalice of our island women. en, was the gauntlet he must little stranger who had inno- uched a girl's hand, in this all- wn.



DRAWN BY JOHN JENSEN

ning silver pennies over the bow of our boat. We worked, dragged and regular in the pure harsh sunlight, a cask of wine on the quay, but nets spread and gathered and cast again, the bodies of baby octopus spread on the stone wall by the harbour. Tourists gathered and watched, as the heads of the octopus against the stone, and turned away. Across the purple and metal of our sea, dark farther islands floated against the horizon, naked rocks like the side of a bathier who basks, unconscious of danger. On the nearest island, there were men imprisoned. Into their souls, I thought as I fished and turned my eyes away, the sunlight and the beauty bite like teeth. I swung my stunned octopus against the stone of the quay, and people turned away.

The wedding was the first great oversized unnatural bloom of this summer of strange flowers. For she would have it; they loved and would be married. No furtive flight to Athens, to a corner where they would be unknown, she said, would do; she must be married to him here in our town. The day grew, a fine poisonous purple flower, in the minds of all who knew. The hunchback, with his clear and kindly eyes, sat still in the corner of the café, and the town moved around him, quiet as the watching cats, its eyes upon him. And Maria, balancing her plates of beans and stew, laughed more loudly from the strong column of her throat and grew larger, more firmly rounded; white against the darkness of the café, like a wave that gathers itself and is about to break.

"Sophia says," Grigoris told me, one day before the wedding, "that she went past the Landovron house, and they were there, Maria and that bloke,



ROSALIND BRACKENBURY, a 29-year-old Lancashire housewife, read history at Cambridge, and worked in a library before writing her first novel, "A Day to Remember," in 1967. It received an impressive welcome from the critics, and Macmillan publish her second novel, "A Virtual Image," next month. This story is from "Winter's Tale 17", a collection of short stories by various authors, to be published soon by Macmillan.

I mean. They were at it on the floor, apparently. That's what she says." "Well, why believe everything Sophia says?" She was his sister-in-law, a bright-eyed, noisy woman; when one saw her in the street, she always seemed to trot a few steps, by a little, and trot again like a hen that is being chased. "And anyway, why the Landovron house?" For some reason, I feared to hear talk about the couple; there was something fragile about them, something essential to life. I shuddered as I heard the note in my friend Grigoris's voice.

Well, apparently she asked the Landovron girl if they could use the house in the afternoon for a rendezvous. The dotty one, you know, who looks after the house in the daytime. I suppose because they obviously couldn't meet in the Stephanopoulos house. And the Landovron girl agreed. So they're having it off on the floor there, I suppose, and nobody any the wiser, until Sophia walks past and sees the curtain blow aside. He was like a spider, Sophia said, and she all large and soft, like a sofa, just imagine! He began to laugh, a little bleary with his wine, his eyes streaked with fine lines of red.

"Oh, shut up, for God's sake," I said. "You're turning into an old gossip, like all the rest of them. Why shouldn't they do what they like in the afternoon?" But my fear was whetted sharper; I looked across the harbour, as if to see a cloud coming up from the sea, but the water as far as the prison island was sleek, solid as blue metal, and the sky pure as acid that would eat it away.

I fell asleep in the bottom of the boat and dreamed of an ecstasy I had never known, in which I was both lover and beloved, the sea and pure sky; from which it seemed the spirit of man was the precipitate. Something infinitely precious lay, a fragile powder, in the palm of my hand; but as I awoke, my head aching from the sun, it was blown away and I could not remember a grain of what it was.

But I remember a hand thrown up

black against the sky, blotting out the sun, as an old man shouted his defiance of what was happening, bellowed out his threats at his daughter, flanked and supported as he was by two strong sons from across the island; I remember the flash of a thin blade, in the hand of somebody else; I remember the eyes of the woman as she stood beside her lover. There we were, in a reality stranger even than dream, standing about in our clean shirts and best dresses, uneasy in the square under the ilex-tree, while the sun burned holes in the tops of our heads; there was the wedding group, the priest; and suddenly there was the fist against the sky, the shouts, the tangle of bodies and the flash of the slim knife that we use for gutting fish, a stream of blood upon white, a knot of men like wasps upon a pool of honey; and the woman's voice, commanding the priest to go on, go on; and all the tragedy unrolled before my eyes as I stood there, my hat in my hand, beside my friends, all the pain that had been implicit in that first tentative meeting that I had seen. A gold ring flashed as the knife had flashed, hands were joined, the couple's voices stuttered over the vows even though the priest in his tall hat had left their sides, even though they stood alone. The marriage was done, and the old man lay dying upon the ground, where his daughter had driven the knife upon him, slicing through his shirt and jacket and into his deep flesh with her practised, meat-chopping right hand. The tall sons from across the island, farmers and olive growers, stooped over their father; the wedding crowd, silent, hung back. The blood was already beginning to soak the fine dust of the street when we turned our heads to the wall of a siren along the sea road, that came closer, louder and, became a scream of brakes and the slamming of car doors and the strident voice in the silence of the military police.

"That's the one!" one of the policemen called out, oblivious for the moment of the dying man, though he nearly stepped in his blood.

"Where?" The second was a country fellow from the north, glad of any job, that came up, I thought.

"That one, the hunchback, you fool. Anybody think Greece was teeming with deformities. That's the creature we've been after all this time. If you hadn't realised."

We stood together, simple people, our simplicity suddenly evident to us before this strange intervention; none of us could understand. Spiros Stephanopoulos groaned in the dust, his sons moved closer to protect him.

"And someone get a doctor, for God's sake," grumbled the first policeman, the heavy one with the moustache, who looked like a pirate from one of the far islands. "Get these savages out of the way. Haven't you people got anything better to do down here than carve one another up? You deal with this lot, sergeant, find out what the hell's been going on, get that man into hospital or something. I'll take this one back. Come on," he addressed the bridegroom, who stared back at him with more composure than any of the rest of us showed. "I've got a motorboat down the harbour waiting for you. We're going for a little cruise."

He was hustled away from her and that was the last she saw of him, as his cool hand left her hot one; Maria was left a widow upon the street. The labour camps on the islands are enough to break a strong man, and her husband, though spirit blazed out in those few minutes through his clear light eyes, was not strong. His form as he was led away lumpy and gnarled in his wedding clothes was full of dignity; but dignity, they say, is not enough.

As for Maria, she left the island immediately and went away, nobody knows where, clutching her pain and her shame like a poultice to her growing madness; her arms crossed before her as if they held a child. I saw her, in her black shawl, get into the boat that left our quay for Athens. I called out to her, "Maria! God bless you!" but she did not hear. She was up in the bows alone, a strong figure still, her face turned towards the islands, her arms rocking an imaginary child against her breast. I thought of that chattering gossip, Sophia, and hoped for once that she had been right; that somewhere a curtain still blew and was sucked back before an open window, and a strange couple found each other there upon the floor, each time with renewed delight.

© 1971 Rosalind Brackenbury.

NATURE Austin Hutton High spy

TWO hours ago we left the sheiling. And we (a game warden was my companion) have been climbing ever since.

Eventually, we reached, somewhat breathlessly, the thin, wiry grass of the highest ridge of a corrie. Here, around a cairn, were the many castings of an eagle. I had been watching him sailing over the corrie, rising and falling with rhythmic movements as, leaning on the breeze, he mounted on his great wings and then closing them, he tumbled earthwards.

Birds of prey and owls disgorge, after a meal, the indigestible parts of their catches. In this eagle's castings I found, as well as the fur of rabbits and hares and the feathers of pigeons and ducks, the claws of a ptarmigan.

The game warden, fat on his stomach, crouched on the crest of the ridge, pulled out his glass and began slowly to cover the flanks of the glen beyond. I am content to watch, through binoculars, a brood of young ravens on a high cliff to the north. They have abandoned their eyrie-like nest

and are as capable of flight as their parents.

Down in the glen, among fallen boulders, I can see herd after herd of deer. One small group, lying with the sun full on their coats, can be seen without the help of binoculars. A little farther away a bigger herd moves restlessly.

The warden studies carefully each one of them. He is looking for a giant stag spied two days before, following aggressively by a lock of side. Turning away from the scattered herds, he beckons, with a nod of his head, to a hollow where the stag is lying in the shade.

"That's him," he says. He shifts his long glass, throws a tuft of grass into the wind and starts on the three mile circuit we must make before we can begin the true business of a stalk.

I am dismayed because, to maintain the herds in their appropriate ecological strength—to prevent the stag injuring, in a jealous rage, the hinds and the maturing knobbers, brickets, brockers and staggers—this depot of a glen must be shot.

SUNDAY MORNING WITH Mandrake

What price the Titian now?

THERE is little doubt that the question of the future ownership of the £1,763,000 Titian masterpiece, "The Death of Actaeon," is causing considerable soul-searching in the Conservative party. Witness Mr. Heath's willingness to take time off from Ulster to see a delegation from the art world on Tuesday.

The delegation, led by Sir Antony Hornby, chairman of the National Art Collections Fund, will try to persuade the Prime Minister to keep the Titian in England.

It is felt, though, that Mr. Heath and his Minister for the Arts, Lord Eccles, are not in complete agreement on the subject. Mr. Heath has said that there are some things we would wish to keep here, and that it behoves the Government to look to the future to see what we want to keep, and then to make the utmost efforts to retain them. Hardly specific criteria.

Lord Eccles takes an even less compromising stand. He feels that large sums of money should not unquestionably be spent on a single picture, but that Government money could more usefully be spent on providing additional museum and art gallery facilities throughout the country.

That nebulous body, the Art Establishment, is unusually united in the belief that the Titian should stay. Lord Resse, Chairman of the Standing Commission on Museums and Galleries, has said that he is sure that every effort should be made to ensure this.

Sir John Witt, chairman of the Trustees of the National Gallery, and Mr. Martin Davies, its Director, pressed Lord Eccles earlier this month that the painting should be retained.

Hugh Leggat, the St. James's art dealer, is quite clear in his own mind that the price is not unreasonable, and quotes the £2,510,000 paid for the Velasquez last year. He reflects, too, that

Britain was fortunate to be able to buy the Leonardo cartoon for £800,000, considering that it must now be worth £3,000,000.

According to the Trustees of the National Gallery, all that stands between them and the Titian is something in the order of £600,000. But for their arithmetic to work out the Government will have to agree an advance of £100,000 a year for six years, subtracted from their annual grant of £480,000.

The feeling in perhaps less elevated art circles is that Britain is already suitably represented by Titian's works. There are already ten examples in the National Gallery.

Over to Mr. Heath. One view currently circulating in the gallery and auction rooms is that if Government money is forthcoming for the Titian it will be with the proviso that, during the period of the loan arrangements, the National Gallery should not be helped to bid for any other outstanding picture which may come on to the market. A compromise unlikely to overjoy either faction.

Carving a niche

THE results of *The Daily Telegraph Magazine's* Young Sculptor of the Year Competition are due to appear in next Friday's issue. Sir John Wolfenden will that day present £1,000 and a couple of air tickets to Rome (and, presumably, back again) to the lucky winner at a reception at the Royal Academy. Guests will include Mr. Vic Feather and Mr. Robert Maxwell, who improbably share a love of art.

All but the six best entries will then go on sale at an exhibition which opens in the Diploma Galleries of the Royal Academy on Saturday August 28. The fate of those six is still apparently in the balance.

Anything you squawk...

SOUTHPORT detectives were called in last week to trace six mynah birds missing, reported stolen from the town's civic aviary. Detective Constable Jebb was put in charge of the case, and he rashly announced that all the mynah birds in Southport's pet shops would be interviewed.

Popeye, Charlie, Joe, Mick, Tony, and Fred were indeed



thought to be easily identifiable by their accents and peculiar turns of phrase. Charlie, for instance, comes from Wigan and has a strong Wigan accent. A remark in his "Hello Grandad" would surely indicate that a bird came from a family with—well—a Grandad. Good thinking.

"We thought we were up with Charlie a few days ago," says the harassed P.C. Jebb, "but it turned out to be the

wrong Charlie. It's a common name."

But by the end of last week only one bird—Popeye—had been recovered. Southport pet shop owners explain why. Detectives did visit them but were unable to engage the birds in any meaningful conversation.

"We've only got a baby mynah," says one, "and he hasn't started talking yet." Another points out that his two birds wouldn't answer police enquiries. "I've got receipts for them, so why should they be questioned?"

The C.I.D. did, however, uncover a booming business. A mynah bird in good feather sells for around £10. Demand is brisk, but there are snags. "People get fed up with them," says one dealer, "because they can live for 10 to 12 years, they only eat fruit, and they haven't really got stomachs. Then there's the smell..."

Ominous words for the present captors of Charlie and Joe and Fred and Mick and Tony.



Belinda Carroll, to Canada in "The Chalk Garden."

That's my baby

BELINDA CARROLL is getting used to being Dame Gladys Cooper's granddaughter: first in "His, Hers and Theirs," written by her parents-in-law Hugh and Margaret Williams; now in Chekhov's "The Chalk Garden," which goes on a provincial tour soon and then to Canada.

She started in repertory at Wimbledon, where she has lived all her life and where she has just moved into a new house with actor/husband Simon and eight-month-old son Tamlyn—"Simon's father was always called Tam and he died just before Tamlyn was born."

Her big chance came a few years back when she took over from Barbara Ferris in the West End cast of the award-winning "There's a Girl in my Soup." She

auditioned to understudy the part later made more famous by Goldie Hawn in the film version, and to her huge surprise and joy landed the star role.

During her pregnancy she told her agent she wanted to get back to work as soon as possible after the child was born. Now she is not so sure. Canada is a long way away, but she manages to smile at the idea of Simon being left holding the baby.

Still, audiences on the other side of the Atlantic should not have the shock of those nearer home. She started rehearsal for a new play at Leatherhead very soon after Tamlyn's birth. The programme notes said it had a three-week-old son. Lord knows what the audience thought after the show had been running three weeks.

Riding to win

BRITISH show jumpers have been giving Mandrake a word of advice on how to deal with Harvey Smith, the gritty Yorkshireman who put £2,000-worth of prize money at a risk last weekend by saluting Douglas Bunn, vice-president of the British Show Jumping Association and owner of the Hickstead course, with a gesture that was thought less than Churchillian.

"I'm not saying Harvey is an angel," said one firmly Southern Counties member of this high-kicking fraternity, "but he's very easily organised. You don't tell him what he must do, you ask him sweetly to do it, and he's as friendly as a kitten."

Kittenish or no, Harvey Smith's relations with Douglas Bunn have lately taken on a distinctly tigerish aspect. Show jumping historians see the origins of the row in Bunn's decision several years ago to erect a particularly formidable jump at Hickstead—an Irish bank. Smith and some of the other riders thought the jump dangerous, took their horses around the ring until they reached it, then doffed their caps in protest and walked out.

Since then, the fuss has been fomenting on foreign soil. Douglas Bunn has been chef d'équipe (team manager to Mandrake and you) to our national men on the horizontal bars, was Smith being asked why he had not brought back the winner's trophy for the British Jumping Derby which he won last year. "If you want 'em, you can go fetch it yourself," was the reported reply.

As everyone now knows, he won the Derby trophy again last Sunday. Then the gesture. The bigger the prize, the higher run the feelings of those involved: showjumping ceased long since to be a diversion for the leisured classes.

DECIMAL CURRENCY BOARD

After August 31st old pennies and 3d bits cannot be used as money

Decimalisation has gone so smoothly that the "changeover period" (during which old and new money may both be used) will now end on August 31st, 1971.

From September 1st, therefore, our money will be fully decimal. This means that:

- All cash transactions will be in decimal money.
- Old pennies and threepenny bits should be used up before the end of August. Look them out and use them in amounts of 6d (24p). Or pay them into a bank or savings account. Banks will accept them in amounts of 1/- (5p).
- Shillings and two shilling pieces will continue as 5p and 10p coins.
- Sixpences will continue as 24p coins until at least February 1973.

Before ending their work, the Decimal Currency Board wish to thank the public and the business community for their co-operation and understanding, which led to such a smooth changeover.

Use up your old pennies and 3d bits before September 1st

THE naval attack at the Dardanelles began at 10.45 on the morning of March 18, 1915. Six British and four French battleships entered the Straits, opened fire on the Turkish forts and batteries on the European and Asian shores, and for over two hours subjected the Turks to a massive bombardment. By a quarter to two not one of the Turkish forts under attack was able to continue firing. At a cost of less than 40 men killed and wounded, Admiral de Robeck, who had taken over from Carden two days before (Carden having been taken ill), had put the principal Turkish defences covering the minefields of Kephaz Bay out of action.

The time had come for the minesweepers to clear a passage, and for the battleships to advance to the final set of forts at Chanak and Kilid Bahr. The first line of battleships was ordered to withdraw to make way both for the minesweepers and for the second line of ships.

As the French battleship Bouvet was leaving the Straits there was an explosion, a cloud of smoke and steam, and within a few minutes the ship had disappeared. Over 600 of her sailors were drowned. At the time it was not known whether a mine or a Turkish shell had caused the explosion. De Robeck assumed that it was a heavy shell exploding in her powder magazine, not a previously unlocated Turkish mine; he therefore ordered the other ships to continue operations without a break.

For two more hours the ships maintained a continuous and fierce bombardment. Confidence grew: "At 4 p.m." de Robeck subsequently telegraphed, "the forts of the Narrows were practically silenced; the batteries guarding the minefield were put to flight and the situation appeared to be most favourable for clearing it." The senior French officer present, Rear-Admiral Guépratte, accepting the loss of the Bouvet as part of the necessary hazard of the operation, urged his other ships to sweep the minefields. Orders were given to sweep the minefields of Kephaz Bay and move forward, before dusk, to Chanak itself.

At eleven minutes past four the inflexible struck a mine. Three minutes later the Irresistible likewise began to list and seemed unable to move. The British, more fortunate than the French, had only 73 men killed or wounded during the whole day's action. But the apparent presence of mines not previously located, and the almost simultaneous crippling of two of his battleships, led de Robeck to order an immediate halt.

Misfortune continued. While covering the rescue of the Irresistible, the Ocean also struck a mine. That night both the Irresistible and the Ocean sank beneath the waters of the Dardanelles. As the remaining ships left the scene of action Admiral Guépratte reported that the Gaulois, badly damaged by gun-fire, had been beached on a nearby island.

On March 19 Churchill, as First Lord of the Admiralty, received an optimistic telegram from de Robeck: "With the exception of ships lost and damaged, Squadron is ready for immediate action but the plan of attack must be re-considered and means found to deal with floating mines many of which appear to be given whitened buoys and then attached to floats; those floating are easily dealt with by picket boats. I much regret the heavy casualties in personnel and material."

A message from the Kaiser dispels Admiralty gloom

Although the Admiralty contemplated further action by the Navy alone, he was shaken by the loss and damage of so many ships. Immediately after halting the action he had telegraphed to Admiral Wemyss, in charge of naval arrangements at Lemnos Island, that the Navy had experienced "a disastrous day."

During the afternoon of March 19 Churchill and Fisher, First Sea Lord, received news which dispelled their gloom at the suspended action, for it pointed to the chance of certain victory as soon as de Robeck renewed the attack. Naval Intelligence had intercepted a message from the Kaiser to Admiral Souchoy begging him at all costs to hold out at the Dardanelles and promising to send ammunition at the first opportunity.

From the Kaiser's message it was clear that there must have been some panic among the German officers, and a grave shortage of ammunition in the forts of the Dardanelles. The Director of Naval Intelligence, Sir John Hall, took the message to Churchill's room, where he found the First Lord standing with Fisher by the fireplace. Fifteen years later he recalled the conversation:

"First Sea Lord," said I, "we've just received this."

Lord Fisher took the message, read it aloud, and waved it over his head. "By God," he shouted, "I'll go through tomorrow!"

Mr. Churchill, equally excited, seized hold of the telegram and read it through. "That means," he said, "they've come to the end of their ammunition."

"Tomorrow!" repeated Lord Fisher, and at that moment I believe that he was as enthusiastic as ever Mr. Churchill had been about the whole Dardanelles campaign. "We shall probably lose six ships, but I'm going through."

The First Lord nodded. "Then get the orders out."

And there and then Lord Fisher sat down at Mr Churchill's table to draft out the necessary orders. Captain Hall had been about to return to his office when Churchill asked him whether, as part of his secret activities, he was in direct contact with Constantinople. Hall explained that he had already initiated negotiations, through two British emissaries, with Talaat Bey, the Turkish Minister of the Interior. According to his Intelligence reports from Constantinople, he said, "many of its most influential citizens

Why Churchill was sacked

Navy strikes at Dardanelles, but Admirals block First Lord's clinching blow

Fisher intrigues behind his back, and sets off a political crisis

Venetia Stanley rebuffs Asquith—the odd way this harmed Churchill



Churchill and Fisher in step—but only before the war. As losses at the Dardanelles, like that of the Irresistible, shown foundering, rose and campaign began to fail, disagreements occurred daily. Top: de Robeck.



Hamilton and Talaat Bey, the Turk offered £4m. to let the British the

Volume III of the life of Sir Winston

PART 3

by Martin Gilbert

would welcome an immediate break with the Germans, and prayers were even being offered up in the mosques of the city for the arrival of the British Fleet. Hall told Churchill of his emissaries' efforts:

"They have with them," I told Mr. Churchill, "a letter from me guaranteeing a large sum of money in the event of a successful outcome of the negotiations."

He stared at me. "Four million pounds," I added, and as I mentioned the figure it did seem to be an extraordinarily large sum.

He was frowning. "Who authorised this?" he demanded.

"I did, First Lord."

"But the Cabinet surely knows nothing about it?"

"No, it does not. But if we were to get peace, or if we were to get a peaceful passage [of the Dardanelles]... I imagine they'll be glad enough to pay."

It was one of those moments when dropped pins are supposed to be heard. Then Mr Churchill turned to Lord Fisher who was still busily writing. "Do you hear what this man has done? He's sent out people with four millions to buy a peaceful passage! On his own!"

"What!" shouted Lord Fisher, starting up from his chair. "Four millions? No, no. I tell you I'm going through tomorrow."

Fisher was determined to have a Naval victory. Turning to Hall he said: "Cable at once to stop all negotiations. All No. Offer £2 million for the Goeben and £1 million for the Breslau. But nothing else. We're going through."

Churchill and Fisher were insistent that de Robeck renew the attack as soon as possible. Because of the Turkish shortage of ammunition and the inability of the Germans to make the shortage good for at least a week, victory seemed to them inevitable.

De Robeck had come to the conclusion that before he could send his ships through the Narrows the Army must go ashore and demolish the Turkish forts. But General Hamilton, the Army Commander, informed de Robeck on March 22 that his troops would not be ready for action for three weeks. De Robeck at once telegraphed this news to the Admiralty. His telegram reached the Admiralty at 6.30 on the morning of March 23. Churchill recalled in 1916 how "Fisher took the line that hitherto he had been willing to carry the enterprise forward... but now that Admiral de Robeck and Sir Ian Hamilton had decided upon a joint operation, we were bound to accept their view." Churchill recognised the strength of this argument, but did not accept it. In 1916 he told the Dardanelles Commissioners his reasons:

I believed then, as I believe now, that we were separated by very little from complete success. Although at the outset I should have rejoiced at the provision of an army, I saw the disadvantages which would attend its employment after what had happened. I had a great desire to spare the army the heavy cost of the military operation. Landing on and storming the Gallipoli Peninsula, now that the Turks were fully alarmed, seemed to me a far more serious undertaking than the naval attack. It would commit us irrevocably if it failed, in a way no naval attack could have done. The risk was greater. The stakes were far higher... above all I feared the inevitable delay.

Both Sir Arthur Wilson, a former First Sea Lord, and Sir Henry Jackson, an Admiral of long experience, supported Fisher. But Churchill was determined on a second naval attack. The shortage of Turkish big-gun ammunition was a fact; the Turks did not have enough for another full day's firing. Churchill was convinced that another attack, not broken off in mid-course as that of March 18 had been, would have a strong chance of success.

Churchill brought the matter before the Cabinet that morning. Both the Prime Minister, Asquith, and Kitchener, Secretary of State for War, agreed with him.

Churchill returned to the Admiralty. Throughout the afternoon he argued with his naval advisers. But Fisher, Wilson and Jackson reacted strongly against Churchill's proposed

telegram to de Robeck. Churchill appealed to Asquith for the second time that day, but Asquith was unwilling to overrule the advice of the three distinguished Admirals, despite his personal support for Churchill's policy. Churchill contemplated resignation. But he decided to take the advice of his leading advisers. The vision of British ships steaming triumphantly across the Sea of Marmara faded.

The attack of March 18 had failed to achieve its objective. Yet, while preparing his evidence for the Dardanelles Commission a year and half later, Hankey, Secretary to the War Council at the time of the attack, felt it necessary to mention what he believed were the positive results. The Turks, by having to divert troops from the Caucasus to Gallipoli, were forced to abandon their offensive against the Russians. The Bulgarians hesitated to commit themselves to Germany, so that, "if it did nothing else, the naval attack... gained a breathing space for Serbia for the great ordeal to come." Above all, he believed, the moral effect on Russia was considerable. Russian mistrust of the Allies, "owing to their failure to make progress in the Western theatre," was removed, and the danger of Russia making a separate peace with Germany was averted.

The enterprise to which Churchill had committed so much of his energy, and on which he had come to base so many of his hopes, was clearly at an end. Without any massive naval disaster, without any of the harsh slaughter which had become common on the Western front, without any conclusive sign that a naval victory was impossible, he had to abandon the most glittering opportunity of his life.

He continued to advocate the need to defeat Turkey; he pressed for military action on the Gallipoli Peninsula at the earliest opportunity and with the maximum force. But from the moment that military preparations began, the power to act passed from Churchill's hands. As Secretary of State for War, Kitchener controlled all future military initiatives at the Dardanelles.

[The military landing on April 25 failed to establish any substantial bridge-head. A second attack on May 6 was likewise unsuccessful. The high ground on Gallipoli remained securely in Turkish hands.]

On May 9 de Robeck called a naval conference on board the Queen Elizabeth. Having witnessed for three days the failure of the Army to capture the high ground at the southern end of the Peninsula, the sailors discussed the possibility of renewing the purely naval attack.

Churchill was reluctant to dampen de Robeck's revived enthusiasm. He decided that the most he could encourage the Admiral to try was to clear the Kephaz minefield, and advance as far as the Narrows, destroying the Turkish forts as he advanced.

Fisher was opposed to any independent naval action, however limited.

On May 11 this conflict of views led to acrimonious exchanges at the Admiralty. "I used every argument which the situation presented," Churchill wrote, "and made every appeal that our long and intimate association rendered possible. I encountered an absolute refusal, accompanied by signs of the most extreme distress."

Fisher's distress had a personal cause. When Churchill had left for France on May 5 for naval negotiations in Paris, the responsibility of the daily conduct of Admiralty affairs had fallen automatically upon Fisher's shoulders. Clementine Churchill later recalled that she had tried to persuade her husband not to go at all, arguing that the old Admiral would not be able to bear the strain. But Churchill's mission to Paris was part of the delicate negotiations intended to bring Italy into the war.

How Mrs. Churchill learned that Fisher was unbalanced

Fisher found himself in sole charge of Admiralty business. The responsibility agitated him. In an effort to soothe him, Clementine Churchill invited him to luncheon. All went well, and the Admiral departed in a cheerful mood.

But some moments later, when she herself was leaving, she found him still lurking in the corridor. "What is it?" she asked.

"You are a foolish woman," he replied. "All the time you think Winston's with Sir John French he is in Paris with his mistress." Clementine Churchill was stunned by such a wounding remark. It was for her a sure sign that Fisher's mind was unbalanced.

On his return Churchill limited his demands about the Dardanelles to an attack on the Kephaz minefield and the forts. Fisher feared that if this limited operation were successful, Churchill would be in a strong position to urge de Robeck to break into the Sea of Marmara. By noon deadlock had been reached. In a combative mood Fisher went to see Hankey and asked for his help in preparing a memorandum objecting to any independent naval action. Hankey agreed to do so. "At Fisher's request," he wrote in his diary that day, "I prepared memo for him to give the First Lord."

Fisher sent the memorandum to Churchill that afternoon with a covering letter. "With much reluctance..." he wrote, "I feel compelled to send you the enclosed formal memorandum of my views..." Fisher added a postscript: "I have had no communication with Sir A. Wilson or Sir H. Jackson on the subject whatever." He made no reference to the aid he had received from Hankey.

Having sent this memorandum,

Fisher gave Hankey a verbal message for Asquith. "At F's request," Hankey recorded in his diary, "I saw F.M. and told him I would resign if such action was taken." Asquith told Hankey that he thought "it was a very foolish message." He nevertheless authorised Hankey to say that "separate naval action would not be taken without F's concurrence."

Churchill was not informed of Asquith's promise. This promise, given to calm Fisher, made him believe that he had received a veto power over Churchill. But only the Prime Minister possessed the power to overrule a member of the Cabinet.

Churchill recognised the seriousness of Fisher's protest. He replied:

My dear Fisher, You will never receive from me any proposition to "rush" the Dardanelles... It is my most earnest hope on public and still more on personal grounds that any real issue when presented will find us as always united. That shall be my only endeavor.

We are now in a very difficult position. Whether it is my fault for trying or my misfortune for not having the power to carry through is immaterial. We are now committed to one of the greatest amphibious enterprises of history. You are absolutely committed. Comradeship, resource, firmness, patience, all in the highest degree will be needed to carry the matter through to victory. A great army hanging on by its eyelids to a rocky beach, and confronted with the armed power of the Turkish Empire under German military guidance: the whole surplus fleet of Britain—every scrap that can be spared—bound to that army and its fortunes as long as the struggle may drag out; the operation of the long-ferred submarine—our many needs and obligations—the measureless advantages—probably decisive on the whole war—to be gained by success.

Surely here is a combination & a situation which requires from us every conceivable exertion & contrivance which we can think of. I beg you to lend your whole aid & goodwill, & ultimately then success is certain.

Yours ever W. Churchill

That afternoon Churchill saw Fisher. In an attempt to avert his resignation, Churchill agreed that the Queen Elizabeth should leave the Dardanelles, to be replaced by two monitors with 14-inch guns. Churchill knew that it was the presence of this powerful new battleship which, although originally suggested by Fisher himself, now most agitated the Admiral's mind, particularly as German submarines were reported to have reached the eastern Mediterranean.

That evening Kitchener was invited to a conference at the Admiralty and told of this decision. He became extremely angry, protesting vehemently against what he considered the desertion of the Army at its most critical moment.

Now it was Fisher's turn to grow angry, as Churchill recalled. "The Queen Elizabeth would come home," he insisted; "she would come home at once; she would come home that night."



or he would walk out of the A then and there." Fisher's will y

During the night of May battleship Goliath was sunk el-Bahr by a Turkish torpedo. It had skillfully slipped down from stern first; 570 sailors were dr

For Fisher, the torpedoing; Goliath was proof that he I right in insisting upon the rec Queen Elizabeth. On May 13, ingly confident that his argum now prevail, he insisted w instructions being sent to deprecating any further ind naval initiative whatsoever. insisted that if de Robeck com feasible to advance to the N conjunction with the Army, h be allowed to do so.

That afternoon, at Hanke gation, Fisher went to 10 Street to explain to Asquith was refusing to give de Rob discretion for which he had as for which Churchill insisted.

Three bitter days of argument and accusations

Churchill knew nothing of meetings and correspondence Asquith. On May 13 he as Fisher's latest demands about to be held back from the Dar These days of long argument, recriminations arose in the end. But Fisher ignored the success, and was still deter give the impression that Chur been unreasonable.

Churchill did not know th to which Fisher had in the two days canvassed the sup Asquith, Hankey and others the War Council of May 14 th the strange mood that had on the First Sea Lord. He thereto Asquith in the strongest ter

I must ask you to take Fisher's statement today that against the Dardanelles and h all along." The First Sea agreed in writing to every telegram on which the operati been conducted; and had th immediately successful the cred have been his. But I make no c of that. I am attached to the and it is a great pleasure to me with him. I think he reciproc feelings. My point is that a will probably arise in these a when the Admiral and Genera spot will wish and require to rs with the Fleet for a great and effort. If I agree with them, sanction it, and I cannot unde be paralysed by the veto of a fra whatever the result will cerat "I was always against the Dar I wish... to make it clear that a man who says, "I deci possibility for failure," cannot final arbiter of the measures wh be found to be vital to success.

That afternoon Fisher again Hankey to come to see him Admiralty. Perhaps he woul heard further complaints Churchill, and further threats o

Continued on next page

Extracts from Fisher's letter of resignation to Churchill which triggered off the Coalition crisis of 1915. His concluding remark, "I am off to Scotland...", received a blunt response from Asquith (right).

15 May 1915
First Lord
After further anxious reflection I have come to the repeated conclusion I am unable to remain a longer in the Admiralty - It is undesirable in the public interests to grant a longer stay
J. Fisher

I am W. S. Fisher
at once so as to avoid all questioning
Yours truly
J. Fisher

15 May 1915
Lord Fisher
In the King's name,
I order you at once to return to your post.
W. S. Asquith

Churchill

from page 6

But Fisher was an old hand. He had been at work in his diary for many years, tired out, so slipped in... there is a horrible... with all this bickering... between Churchill and Fisher. Why cannot all... for their country... I am sick of them."

Churchill believed that his... the breach between... and Fisher. Late that... he went to Fisher's... and for several hours... discussed in detail the... at the Dardanelles... Fisher's Naval Assistant, Cap... later wrote: "When Mr. Churchill left I... see that he was much... Lord Fisher... told... that he had had a very... factory discussion... and... quite cheerily... but I... use he'll soon be at me."

He left the Admiralty that evening. Churchill... in his room, working... proposals on which he... had agreed. As a... oint, which on reflection... was necessary, he added... more submarines to the... to be sent to the... dardanelles... in view... of most of the V.A. for de... had urgently requested... submarines. Churchill... it wise to add a per... vering note.

Dear Fisher,
Send this to you before... ing it to others in order... if any point arises we can... ss it. I hope you will... Yours ever W

am off

to Scotland—
says Fisher

Churchill was not unduly... down by the strain of... agreements with Fisher... confident that a... outcome was possible... Dardanelles, given the... military effort on the... Peninsula. Kitchen's... determination to... to a victory added to his... ice.

On the morning of May 15, as... all was waiting across the... Guards Parade, his pri... etary, Masterton-Smith... up to him with the... "Fisher has resigned,"... think he means it. This... Masterton-Smith then... Churchill, Fisher's letter... gation, written in the... of the morning:

Lord,
I further anxious reflec... I have come to the... ted conclusion I am un... to remain any longer as... colleague. It is unnece... in the public interests to... to details. I would say... explain—but I find it... sibly difficult to adjust... to the increasing... requirements of the Dar... les to meet your views... on truly said yesterday I... n the position of contin... vetoing your proposals... is not fair to you... as being extremely dis... ul to me. I am mov... m off to Scotland at once... to avoid all questionings... Yours truly
Fisher

Churchill had threatened... so many times before... hurchill was not par... alarmed. He returned... Admiralty intending to... whatever the new conse... gation was with Fisher... But on reaching the... ty he searched for... n vain.

Shocked Asquith writes to Miss Stanley: 'I am on the eve of... world-shaking decisions—such as I would never have taken without your counsel & consent'



Asquith, 1915, and Venetia Stanley. News that she was to marry shattered him at a time of political crisis

Churchill recrossed the Horse Guards Parade, this time to 10 Downing Street. There he told the Prime Minister what had happened and showed him Fisher's letter. Asquith wrote immediately to Fisher: "In the King's name, I order you at once to return to your post." It was some time before Fisher could be found. With great reluctance he agreed to see the Prime Minister. While Fisher was waiting, the Chancellor of the Exchequer, Lloyd George, arrived. He was "struck by a dour change" in Fisher's attitude, recalling after the war: "A combative grimace had taken the place of his usual genial greeting; the lower lip of his set mouth was thrust forward, and the drop at the corner was more marked than usual. His curiously Oriental features were more than ever those of a graven image in an Eastern temple, with a sinister frown."

"I have resigned!" was his greeting, and on my inquiring the reason he replied, "I can stand it no longer." He then informed me that he was on his way to see the Prime Minister, having made up his mind to take no further part in the Dardanelles "foolishness" and was off to Scotland that night. "Stupid," said Lloyd George, "reminding him that so far as the War Council was concerned he himself had 'not heard one word of protest from him.' At that moment Asquith arrived. But he could not persuade him to withdraw his resignation."

Fisher had not resigned in order to be ordered back to his post, by Asquith, or asked by Lloyd George to stay until Monday's War Council. He wanted to be given effective control over naval policy. To his chagrin, none of those in authority had approved his course. His friend Reginald McKenna—the Home Secretary—had shown no enthusiasm. Nor did the other Sea Lords, whose support he took for granted. Fisher had not been content to embarrass and threaten the Liberal Government from within. He had sent in anonymous letters to Bonar Law, the Leader of the Opposition. The envelope was addressed in Fisher's

along the corridor to see Asquith at No. 10 and to urge the need for a Coalition. Asquith at once agreed. He had wearied of the fight. Unknown to Churchill, Lloyd George or Bonar Law, Asquith's power of decision had been temporarily impaired. Venetia Stanley, whose affections he had sought and pursued with intensity for over nine months, had informed him three days before, on Friday, May 14, of her intention to marry Edwin Montagu. "This is too terrible," he had written to her that midnight; "no hell could be so bad."

Her news shattered him. The letters which he had received from her, and the daily hope of further meetings and further letters, had sustained him at every crisis. The confidence he had reposed in her, the secrets he had told her, the grave political problems he had discussed with her, all this, so essential to his peace of mind, was over. He himself had already realised the effect that her marriage might have on him. On May 5 he had written to her: "You give me the life blood of all that I do, or can ever hope to do." On May 7 he wrote again, that anyone who wished to exercise the power to get rid of him could exercise it effectively, "and without a moment's delay, when my veil is dropped between me & you—soul of my life."

Asquith pleaded with Venetia Stanley to write to him, but in vain. She cut herself off from him completely. His torment undermined his powers of summing up the crisis. When Bonar Law threatened controversy, he refused the challenge. When Lloyd George pressed him to form a Coalition, he acquiesced. On the morning of May 17, alone for a moment after Lloyd George had gone, Asquith wrote to Venetia Stanley:

"I never since the war began had I such an accumulation (no longer shared!) of anxieties... one of the most hellish bits of these most hellish days was that you one person who could do nothing, & from whom I could ask nothing. To my dying day, that will be the most bitter memory of my life."

I am on the eve of the most astounding & world-shaking decisions—such as I would never have taken without your counsel & consent. It seems so strange & empty and unnatural: yet there is nowhere else that I can go, nor would I, if I could.

Churchill knew nothing of Asquith's intense personal distress, or of his abrupt decision to accept a Coalition. Early that afternoon he went to the House of Commons to deliver his explanatory speech, confident that he could save the Liberal Government from further embarrassment. But Asquith at once made it clear to him that he no longer wanted a debate. No sooner had Churchill given Asquith the names of his new Admiralty Board than the Prime Minister told him: "No, this will not do. I have decided to form a Coalition... What are we to do for you?"

Churchill was made Chancellor of the Duchy of Lancaster. He was retained on the War Council but had no departmental responsibility. Six months later, in November, 1915, having been removed from the War Council, he resigned from the Government. Ten years of being a Minister at an end.

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THE Emperor of Japan is not a man to display emotion, least of all when talking to a foreigner. He has spent too many of his 70 years secluded behind the rigid Court ceremonial of a dynasty which stretches away to the horizon of history.

Twice, however, when I was fortunate enough to be received in audience at his palace in Tokyo, he allowed himself to show more than a flicker of animation. The first time was when he spoke of his broadcast in August, 1945, announcing the surrender of a nation that had believed itself invincible. The second was in describing some of the events of his visit to England in 1921.

When asked what has been the momentous episode of his life the Emperor replies that it was his decision to bring the war to an end. The deed was conceived in his own mind, carried out in circumstances of acute danger, and, as he admits, contrary to the wishes of many of his subjects.

On this last point, he eases his conscience with an appeal to historical precedent, claiming that his grandfather, the Emperor Meiji, similarly concluded the Sino-Japanese war of 1874 on his own initiative. Those who still remember the behaviour of many Japanese guards towards our prisoners-of-war—a sustained brutality which the Emperor apparently did nothing to mitigate—may find it hard to see much merit even in the role he played in 1945.

Act of courage

They could well claim that it was no more than a belated return to reality, a shrewd endeavour to save a crippled nation from further suffering, and that if the Emperor's act of surrender also saved our own armies from a further succession of bloody engagements against a suicidal enemy, that was no part of his plan.

Whether or not the Emperor knew of the cruelities carried out in his name is disputable. But what is beyond doubt, and what must weigh in his favour, is that his independent action in August, 1945, required considerable courage.

Neither his sheltered upbringing nor his diffident temperament had equipped him for heroics. The slight, stooping figure with the mild, myopic gaze; the benevolent scholar who nervously clears his throat and fingers his watch-chain—here is the man who defied the Japanese war lords and broke their hold over his country. That surely should be in our minds when he arrives in London.

THE Emperor's face spontaneously suffuses with pleasure at the recollection of his visit to Britain half a century ago. He emerged from the mists of time, as it were, by battleship, the first heir to the Japanese throne known to have travelled abroad.

His journey was rich in experience. In Malta he went to a theatre for the first time to hear Verdi's Otello. In Gibraltar he attended his first race meeting and won the sweepstake—much to his embarrassment, for the Imperial Family does not carry money.

But it was at Buckingham Palace that the young man, who at a very early age had been separated from his parents in

Son of Heaven down to earth

● The Emperor of Japan recently broke with precedent by giving his first long audience to a foreign journalist. In the Imperial Palace in Tokyo he talked to KENNETH ROSE about some of the thoughts that will be in his mind during his forthcoming State visit to London on October 5. The Imperial Court insisted that his precise words should not be quoted—much as in former days a Japanese Emperor could be measured for new clothes only from his reflection in a looking glass.



order to be suitably educated, first experienced a family affection he has never forgotten. King George V declares, treated him like a son. Those who have read the Duke of Windsor's reminiscences of that irascible monarch may suppose that Crown Prince Hirohito struck a fortunate week.

Life was impressed, too, by other British institutions: the orderliness of the crowds and the good humour of the police. Chequers and Sandhurst, Curzon and Baden-Powell, nine nearly rainless days in Scotland during which he danced to the pipes, killed a salmon and acquired a taste for porridge.

Until now it has remained his only jaunt abroad. He returned to a Court that regarded the cosmopolitan way of life with reserve if not disapproval. In 1925, on succeeding his father as Emperor, he was obliged to withdraw even further into the changeless twilight world of the Japanese monarchy: hieratic, mystical, remote.

And thus he reigned, worshipped but powerless, until in 1946 he issued an Imperial rescript of dramatic import. Such authority as the Emperor possesses, he told his nation, is derived not from a divine lineage, but from the will of the people, in whom sovereign power resides.

There is a well-polished Oxford chestnut about Sir Herbert Warren, the President of Magdalen, whose life had been much enriched by enrolling the Duke of Windsor (then Prince of Wales) as an undergraduate. He was later asked by the Japanese Court whether he would also be prepared to

instrument of an obsessive and aggressive, island nationalism: and they obliged him to make his rescript of 1946 denouncing divine sovereignty.

It caused him no uneasiness of conscience. It is believed by those closest to him that he has always thought of himself as an essentially human—an often perplexed—figurehead. Formerly called The Son of Heaven, he is now merely His Majesty the Emperor. Even that muted designation he assumes with diffidence.

Hirohito fervently welcomes his liberation from the pressures of successive militaristic Governments. In his divine name they indoctrinated the nation with a ruthless militarism while simultaneously denying him any form of personal contact with his people.

It is significant that when he delivered his broadcast announcing the surrender, few Japanese could understand it: the stilted grandiloquent language of the Court was largely incomprehensible to them and they had to wait for the newspapers for the rumour to be confirmed.

Under the present constitution, "The advice and approval of the Cabinet shall be required for all acts of the Emperor in matters of State and the Cabinet shall be responsible thereafter."

Unlike our own sovereign, he may not even choose a new Prime Minister except as designated by the Japanese Diet. Like all good Victorians, he relishes peace, prosperity and parliamentary democracy.

NO man has fewer regrets for those pre-war days, when golden sand would be scattered and blinds drawn the whole way along his route.

Even today the Emperor remains a figure of awe, and it is a common sight to see people bow as they pass the palace gates. His daily life, too, is guided still by precedent and protocol to an extent that would be thought burdensome by the Royal families of Europe.

Freed from political pressures, he is nevertheless able to enjoy a private existence of sustained happiness. Characteristically, he prefers not to live in the grandiose new palace recently completed at a cost of £16 million but to remain in a modest house nearby.

International renown

A meticulous attention to paperwork: a sparse programme of public appearances; religious observances; evenings with the television (he particularly enjoyed the film of our own Royal family and has already been persuaded to submit himself and his family to a similar ordeal; listening to the Empress playing Beethoven or Chopin; surrounding himself with children and grandchildren—such is the unspectacular rhythm of his days.

There is one other activity however in which he has achieved international renown. Since his youth he has devoted much of his leisure to marine biology and to botany. He has his own private laboratories and staff, and has amassed collection of many thousands of specimens, largely gathered with his own hands.

The pursuit of science has not dimmed his eye for his story. Never entirely at ease among foreigners, he was said to be at his most relaxed when recently entertaining a delegation from our own Royal Society and discussing with them the study of virus diseases of plants from botanical illustrations.

It is something to have begun one's reign as The Son of Heaven and to approach its end as a Fellow of the Royal Society.

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Smoother gear changes

By MARY BROGAN

IT hardly needs a world monetary crisis to convince most of us that the ideal wardrobe for the coming winter is the smallest one possible consistent with decency.

In a perfect world, I suppose, there would be one multi-purpose dress to carry one through anything from the morning rush hour to a formal dinner but, besides being unhygienic, the idea is, unfortunately, impractical. The next best thing is undoubtedly co-ordinates, sets of tops, skirts or trousers made either to tone or to contrast with each other, so that the general effect is one of a carefully planned outfit.

Well designed co-ordinates have been around for a long time, but what has not been easy to find is the kind of set with which simply by changing one item for another, a thoroughly practical daytime skirt and top

turns into an evening outfit. With the latest addition to their Switch Gear range, Reldan have succeeded in designing just this. By use of a clever combination of checked wool and soft black Acrilan wool jersey, they have produced "Double Take" which, as our picture and sketch show, can be transformed by substituting the long black jersey skirt for the midi wool one.

Quite apart from considerations of economy, this is invaluable from the point of view of time saving. Few people with any distance to commute have time to get home, bath and change before going out for the evening, but there is no difficulty in bringing one lightweight, easily folded skirt to the office. Most offices nowadays provide reasonable facilities for washing and freshening up after work: if they don't, the Factory Act Inspector will have something to say.

Far left: Reldan's "Double Take" for daytime comprises front-buttoning wool mid-skirt in autumnal russet checks, matching shorts and full-sleeved black jersey blouse. Skirt costs £5-25, shorts £3-15, blouse £5-50. Pictures by ALEC MURRAY

Right: Evening version of "Double Take" shows how a transformation is achieved by the use of the fluid black jersey skirt instead of the daytime reinforced wool. Skirt costs £4-60, blouse £5-50. Available in about 10 days' time from the Plywood Department, Marshall and Snelgrove, London, W.1; Fraser's, Glasgow; Dingle's, Plymouth. SINGER CARLSON



Would you mind an unmarried mother as a neighbour?

By WINEFRIDE JACKSON

AT first glance the inclusion of unmarried mothers as possible recipients of a 100 per cent home loan from the Greater London Council (their newly extended mortgage scheme was announced last week) would appear to be a victory for humanity. But how many such women who long to own their home will qualify financially is a debatable point.

To buy a £4,000 to £5,000 home on mortgage a single person will, it is said, need to earn about £38 a week. This amount will considerably limit such candidates; but the fact that an unmarried mother can be considered at all for a council loan must assuage some of the social slur that still hovers in the background of one child born illegitimately among 12 in 1970 (in 1958 it was one in 20).

But what of the successful applicants who find themselves among neighbours who have learned somehow or other of the mother's background and are harsh in their condemnation? Some mothers were appalled at a recent baby competition when the winner proved to be the child of an unmarried mother. With a home to pay for it is almost impossible to move away to more sympathetic surroundings. A toughness of character will be needed to stay the course.

Social workers I have spoken to about this problem do not think this attitude of moral indignation applies to poorer families. Nor does it apply to most of the upper classes of society. Indeed, many of our noble families, according to the College of Arms, are descended directly or indirectly from Charles II

and one or other of his mistresses many of whom he ennobled. Indeed the portrait of Charles II adorns the wall of many a stately home gallery of ancestors. No embarrassment is felt in pointing out this noble ancestor, who may well be flanked by the particular mistress who co-operated in establishing the noble line.

Is it the lower middle classes who indulge in most moral indignation, or is it simply the character of the individual? Would the Mothers' Union, a Christian body, allow an unmarried mother to be a member? No. Although to be fair the Mothers' Union does charitable work in this field.

With all the present talk of permissiveness, plus acceptance as normal behaviour that a single girl should be on the pill, ought there to be any further slur on illegitimacy?

Two building societies I questioned stated that an unmarried mother would be acceptable for a mortgage provided her financial background was stable. This is in line with allowing a single unencumbered woman a mortgage without the backing of a male guarantor. But they do ask whether you are married, and whether you have dependants—such as a child, for example.

On most official forms one must state whether one is Mrs. or Miss. Men are simply Mr. no matter what their status, even an unmarried father. Why not allow one prefix to all women, married or not?

Whether the children of such one-parent families will be acceptable without neighbourhood gossip is debatable. As debatable as the question—will legitimacy even be the exception in another 50 years?

HOWMAN IN THE KITCHEN

IT so many years ago a young woman's silly smart gambit was to unceasingly say "I can't even an egg." day her granddaughter well be taking to cook as a career. Many a stors' dining room now is not only a good cook a young good-looker to den their eyes. Or a ance may take over the is for a country house v. At these levels a on bleu standard is ired.

Even at amateur level it social asset to cook well, her a wife without kitchen is entertaining her hus- boss or colleagues, or a of women flat sharers taining boy friends. In ast two instances the men even take over the making heir own special party. Such male expertise can xensive in gin while the ts wait. Men are much er cooks.

you think cookery as a gimnack has rather ad after a surfeit on tele- high-ratings though the of these programmes have then the demand for ery evening classes will s you wrong.

The Inner London Education Authority has an unabated demand for cookery classes. This autumn, as in recent years, more than 500 classes will be on offer every week in its adult education institutes, classes ranging from those for absolute beginners to the equivalent of cordon bleu standards.

One man who has publicly boosted the art of cookery is making one of his rare visits to London this week to launch his specially designed kitchen ware. This is Graham Kerr whom many people will have seen in a television series "Galloping Gourmet." A new series begins next month.

The first launching of his cooking pots and pans will be at Harrods and then later in selected stores throughout the country.

This project is not just a case of lending his name to approved utensils and kitchen ware. He has worked with designing engineers, in Australia on aluminium and in



Graham Kerr

Norway which specialises in enamel ware.

It seems incredible that Graham Kerr's present international popularity—he appears five days a week on 138 stations in the U.S. and six days a week on 48 stations in Canada, not to mention his fame in Australia and New Zealand—could have stemmed from his service days as catering officer in the New Zealand Air Force. Added to his knowledge and family background (his parents were hoteliers in England, now retired) is a flair for showmanship and a sympathy for cooks who make a hash of things. The whole adds up to making him a sizeable fortune.

W.J.

Books on the outdoor life

By JULIET CLOUGH

For the contemplative, Methuen's "Stand and Stare" booklets (55p each) provide simple introductions to various outdoor interests. The new set seaside additions to the series are Richard Taylor's Herring Gull, Mallard Duck and Swan and Salmon, Seal and Porpoise.

Countryside or town gardens can, with helpful direction, provide the young person of inquiring and museumish mind with as much proximity to nature red in the tooth and claw as any safari. Ervin Turcsanyi's Hunters with Eight Legs (Sadler, 60p) takes the lid off the spider scene in any back garden or attic—it's jungle warfare of a ferocity belied by Laszlo Reber's delicate illustrations.

Going on six legs, The Insect World (World's Work, £1-50) by S. A. Manning gives a scientist's-eye view of the fascinating microcosmic social life going on in any garden or park. And for the home life of slugs, centipedes, earthworms and other dwellers under stones, as well as larger creatures like hedgehogs and toads, Barbara Prescott's Who Lives in Your Garden? (Faber, £1) has most of the answers, simply told.

Widest in scope is Eric Duffey's Conservation of Nature

(Collins, £1-50). It deals succinctly with that most fashionable of topics, environmental pollution, casts a jaundiced eye on man the predator and describes the depredations wrought on the land by water, weather and modern agricultural methods.

But, as its title suggests, the book is not all negative in its approach. There are sections on wildlife preservation, family planning campaigns, and fascinating photographs from all over the world, ranging from shots of Cantonese goose herding to American nature trails.

Derek Waters's dauntingly titled Creative Work with Found Materials (Mills & Boon, £2-50) is aimed at teachers and parents and does rather incline towards the bark-rubbing, plaster-casting school. However, it is also full of more entertaining ideas on making corn dollies, primrose ointment, spun yarn ("Look at old pictures of spinsters"), and simply using your urban eyes out of doors.

Finally, for those less susceptible to the improvement potential in natural objects, but who still like doing things, Jack Cox's Fun and Games Outdoors (Piccolo, 20p) is an excellent play-power manual.

Entries range from peaceful Kim's Game to riotous Pandemonium from solitary Conkers to complicated Hopscotch.

Lessons from the Victorians

By MARIKA HANBURY TENISON

HAVING always maintained that the Victorians enjoyed their food, and took more trouble with it, than any other society before or since, I was delighted to pick up a couple of small Victorian cookery books.

Savouries à la Mode and Tempting Dishes For Small Incomes by Mrs. De Salis (published in 1895 and 1899), were all that I could have wished for. Small books but packed with many unusual recipes and full of ideas which were new to me.

In the fish section I found a recipe for sole, egg and breadcrumb, fried, and served with a cucumber mayonnaise. As sole is not the cheapest of fish, I settled for fish fingers and was delighted with the results.

Cucumber Mayonnaise.

1 egg yolk from a large egg; pinch salt, pepper and cayenne; 2 tablespoons lemon juice; ½ pint olive oil; cucumber.

Beat egg yolk with a pinch salt, pepper and cayenne and one teaspoon of the lemon juice until creamy. Gradually add the olive oil, drop by drop, beating with a wooden spoon until each drop is

absorbed and the mixture emulsifies. When all the oil has been absorbed, beat in remaining lemon juice and check seasoning.

Peel the cucumber and grate enough, through a coarse grater, to give three tablespoons. Dry this with a clean cloth and fold the cucumber into mayonnaise.

New Zealand lamb is a good buy at this time of the year and although I prefer to cook our own home-grown meat for plain roasts, their Commonwealth relations are good value for the more complicated dishes. A perfect example is Mrs. De Salis's "Epigram of Lamb and Peas" from "Tempting Dishes".

Epigram of Lamb and Peas.

(Serves 4)

1 breast of lamb; 2 onions; 1 carrot; 3 stalks celery; 3 stalks parsley, pinch thyme, sage and rosemary; 1 beaten egg; breadcrumbs; salt and pepper; 1 pound peas; 1 slice onion; 1 sprig parsley; 3 mint leaves; 1 oz. butter.

Place breast of lamb in a heavy saucepan with two peeled and sliced onions, a peeled carrot, the celery, three stalks parsley, herbs and a little salt and pepper. Cover with water, bring to the boil,

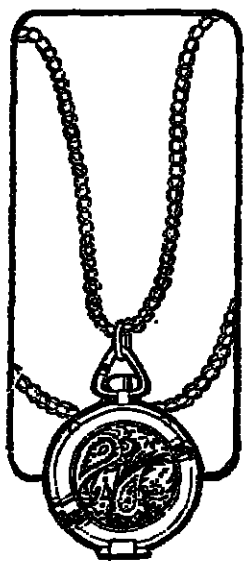
remove any scum from the surface, and simmer gently until breast is tender enough to pull out the bones.

Lift out the breast (strain the stock for making soup later), leave to cool a little, pull out all the bones and press breast between two plates with a heavy weight on top. When the meat is cold and firm cut into half inch wide cutlets, dip them in beaten egg and seasoned breadcrumbs and fry until crisply golden brown.

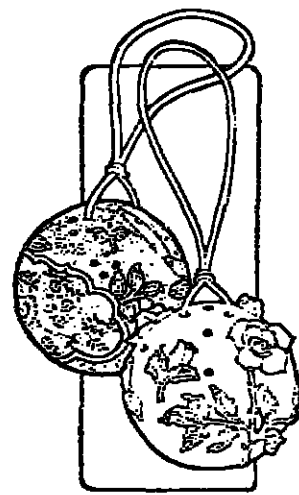
Meanwhile, boil peas until tender in salted water with a slice of onion, a stalk of parsley and three mint leaves. When peas are tender, drain them well and pass them through a fine sieve. Return to a clean pan and heat through with an ounce of butter adding a little freshly ground pepper to taste.

Pile the purée of peas in the centre of a serving dish, surround with the fried breast cutlets and serve with mashed potatoes and grilled tomatoes.

SHOPPING AROUND

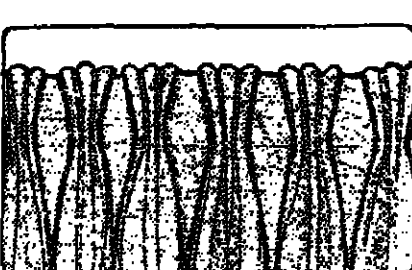


Delicate enamel for pendant in blue Liberty print could take a true love's picture in the manner of the old-fashioned locket or, more practically, deep enough to carry the day's supply of sacharin. Price £5-75 from Liberty, Regent Street, London, W.1 (P. & P. 15p).



Pomanders scented with a pleasant, spicy fragrance, claimed to be everlasting, come in a variety of pottery or china containers, made specially for Taylor of London. Above left, pale turquoise with flower pattern £1-98, right, white decorated with pale yellow china roses £3-88, both from Selfridges, Oxford Street, London, W.1 (P. & P. 20p on each).

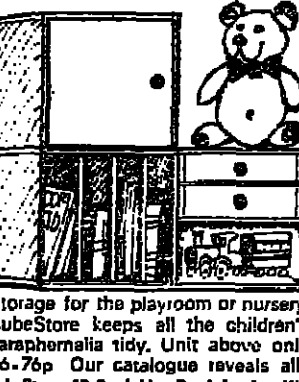
AN aid towards tempting rather than forcing children into cleaning their teeth is Wright's Camberwick Green toothpaste in Cherry, Minty or Fruity flavour, packed in plastic tubes representing Dr. Mopp, Windy Miller, Sgt. Major Grout and Police Constable McGarry. Price 20p a tube.



Make pinch-pleated curtains with the minimum of trouble by using "Textrapleat", a drawing tape which, when the strings are pulled, gathers the fabric into three neat pleats at 3in. intervals. It costs 20p a yard from stores in the John Lewis Partnership.

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INDEPENDENT OF ALL GROUPS

BRUTAL TRUTH

EVEN the most civilised countries can be compelled to have recourse to the arbitrary internment without trial of those who use terror and violence to overthrow lawful government. But it goes without saying that a civilised country will conduct such necessary repression with maximum restraint and minimum brutality, and that public opinion will be impatiently insistent on condemning and punishing any dereliction of this decent and honourable obligation.

There will, therefore, be general welcome for the Government's decision to set up an inquiry to examine allegations about the Army's behaviour in the round-up and detention of L.R.A. suspects in Ulster. Since justice—in the nature of this kind of operation—cannot be seen to be done, it is essential that brutality should be seen not to be done. Rumours must be scotched and the facts established. Nothing less would be worthy of the British tradition.

But having said this, it would

be naïve not to imagine that it is easier said than done. The inquiry will have an almost impossible job. With passions running as high as they are today in Ulster, respect for truth is at a discount. Nor can it be supposed that Irish opinion, on either side of the border, will be disposed to believe the findings, except in so far as they confirm existing prejudices.

Even so, the attempt to establish the facts must be made as a matter of urgency. Nothing is served by pretending that British soldiers are especially immune from the temptations that beset all armed forces engaged in these arbitrary acts of power, particularly in a situation where the provocations to brutality are so acute. Some of the allegations, therefore, may possibly be true.

What needs to be demonstrated, however, is not that the British Army is perfect, but that there is a determination in this country that any imperfections which can be established should be exposed and punished, rather than covered up and condoned.

The Banda-Wagon

JUST as it was once thought inconceivable that an African leader could ever bring himself to entertain a black African as an honoured guest, so there are still race-obsessed liberals among us who cannot understand how any responsible black African should consent to be so entertained. Yet last week the President of Malawi, Dr. Banda, paid a state visit to South Africa during which he was clearly as welcome to his hosts as he was pleased to be invited.

A slight rearrangement of the bricks on the top is hardly likely to topple the wall between black and white in South Africa. Nevertheless the Banda visit will be significant if it helps to de-mythologise apartheid. It has shown that the horror of a black skin is no more "in the blood" of the Afrikaner than the existence of white supremacy in one corner of the world is necessarily an affront to coloured races in general.

Apartheid, in fact, however much it may be presented as a political philosophy, is merely the mechanism whereby certain white minorities are seeking to maintain their privileges for as long as possible. It ceases to be a guiding principle for its perpetrators, just as it ceases to plague their neighbours, at any point where mutual advantage can be had by disregarding it.

Here lies the real hope for racial justice in southern Africa, which our own anti-apartheid myth-makers would do well to recognise. What the ruler of an independent Malawi is today the black masses of South Africa will become tomorrow, as partners in an industrial revolution. False emotionalism about skin-colour can only delay this process.

The old Boer ox-wagon is already grinding to a halt, but the Banda-wagon is on its way.

TO THE POINT

Bigger Than Berlin

AFTER 18 months of talks in the latest four-power marathon and more than 25 years of haggling and tension, it looks as though an East-West agreement over Berlin may be concluded this week.

If so, then far more than the status of the city and freedom of access to it is involved; more even than another move for the better in relations between the two Germanys.

Russian reasonableness over Berlin was the price which the Bonn Government and its N.A.T.O. partners have been demanding before the Soviet-West German treaty can be ratified and before the Western alliance will consider a European Security Conference.

Though there is still need for much caution over Soviet policy in Europe, there is now ground for a little more hope.

Fitting Light

IF the French call a set of electric light fittings a "luminaire", is that any reason why we should? The British Standards Institution recommends this "in the interests of international standardisation".

It is exceeding its brief. To ensure that a foreign bulb shall fit into a native socket it is not necessary to change the language.

Friends Within

AS many hospitals are aware, a lot of people are willing to give voluntary help in a wide range of tasks, such as looking after child patients,

assisting medical staff and running trolley shops and libraries. According to a survey on such services, appointing a paid organiser can work wonders, trebling the fund of volunteers and improving their services in quantity, quality and diversity.

Hospitals which do not enjoy such help would do well to take note. The increasing burden on National Health resources emphasises the need to tap latent goodwill wherever it can be found.

Utopian Planners

TOWN centres deserted at night and a countryside absorbed into suburbia—this is a pattern of residential development which the preliminary census figures published last week can only confirm. The car lies at the heart of it, which raises the question whether road improvements, whatever the apparent demand for them, are always socially desirable.

Our planners have either too much power or too little. They are allowed to cut broad, sweeping avenues through the trees, but are seldom encouraged to survey the whole wood.

Sage in the Dock

SO the Chinese Communists have finally got around to attacking Confucius, who is now being condemned for having invented "counter-revolutionary dual tactics".

What has China's ancient sage done to annoy the Little-Red-Book men of Peking? Perhaps they have just noticed this saying in his Analects: "An oppressive government is more to be feared than a tiger."

OUR DOLLAR OPPORTUNITY

By PATRICK HUTBER, City Editor

OF all the many varieties of crisis, international financial crises are the hardest to describe in terms which make sense to the man in the street.

If there is a stock exchange crisis the prices of shares plummet and the papers publish pictures of panic-stricken brokers milling around in Throgmorton Street. If there is a jobs crisis we have unemployment figures remorselessly mounting month by month and evidence for it in every industrial town.

But when there is an international financial crisis what have we to show for it? A broadcast by President Nixon, a meeting of Ministers in Brussels and a queue of American tourists outside the American Express. But Presidents are always broadcasting, Ministers are always meeting (usually, it seems, in Brussels) and, as for the American tourists, one sees them queuing for the Tower of London, queuing for Westminster Abbey, queuing for the Changing of the Guard; and queuing for charter flights to get back home.

That is why it is necessary to assert that the events of the past week constitute a watershed in international financial affairs comparable in importance for us to the devaluation of the pound in 1967.

The most important single thing which has happened is that the post-war financial settlement which emerged from the Bretton Woods agreements has for all practical purposes come to an end. This was a system of fixed exchange rates in which a country changed the official value of its currency only rarely and then because it was forced to, and in which devaluation carried such overtones of political shock and moral shame that it was regarded as a thing to be avoided at all costs.

I say this system of rigid exchange rates emerged from Bretton Woods because it was not foreseen by the founding fathers of the International Monetary Fund. They thought that exchange rate changes, though perhaps not frequent, would not be difficult to make. But once a nation's prestige was thought to be bound up somehow in the price of its currency, any sacrifice was thought worth making to avoid the agony.

The old system might have worked not too badly with a very low average rate of inflation. But with inflation proceeding worldwide at its present pace, rates get out of line much faster than in the past. What is the right rate one year may be wrong the next.

The system was shaken by the British devaluation of 1967. We had made all the efforts to avoid it, involving the application of all the economic brakes, and then we had after all a large, late and shattering drop in the exchange rate. People, even people as wedded to stability as the paladins of the I.M.F., began wondering whether a smaller change sooner might have made more sense, and if so what could be done to make such a thing easier.

The system was shaken still more by the decision of the Germans to float the D-Mark last May. Dollars were flooding into Germany; there was a tremendous

demand for the mark, and the German Government decided in view of this demand to let the price of the mark find its own level.

Before May, in spite of a brief previous German experience, the idea of floating rates had been a strange heresy, espoused by academics, by monetary extremists such as Professor Milton Friedman or political extremists such as Mr. Enoch Powell. The Germans made it all seem so easy. To the prophets of doom it was the biggest anti-climax since the British withdrawal from the Suez Canal pilots as their master blow against Nasser and found that, if anything, the traffic flowed more smoothly than before.

And then, last Sunday, President Nixon combined our action and that of the Germans. By suspending the convertibility of dollars into gold he in effect floated the dollar. Since it is bound to float downwards and there are no signs that it may in the short run come up again, he in effect devalued the dollar.

Much to the chagrin of the anti-Americans, the dollar is the pivot of the international financial system. Its stability has always been the pride of the American people. So if Mr. Nixon is prepared to float and to devalue, who

in the world may not in good conscience do likewise? I find it hard to believe that any British politician will ever again be prepared to do what Mr. Wilson did and put not the value but the price of the pound above every other consideration. It cost him the election and it may have cost him his political life. As Tennyson put it:

*Dead the warrior, dead his glory,
dead the cause in which he died.*

I for one feel that President Nixon must be given great credit for what he did. He could have chosen to "save" the dollar along the path of protectionism with import quotas. He could have sacrificed the domestic economy—as Mr. Wilson did—for the sake of the exchange rate. He did neither.

But he has made one demand of the rest of the world. Because of his political position, because of American pride and long tradition, it would have been practically impossible for him to devalue the dollar formally. Because he could not formally move the dollar downwards—it rather than gold is after all the effective standard by which other currencies are measured—he has asked, or demanded, that the European nations and the Japanese should move their exchange rates up.

West's debt for U.S. shield

By Peregrine Worsthorne

MUCH has been said and written this week about President Nixon's "new deal" marking the end of an era of American world responsibility—a return, so to speak, to the days of "America First". If this really were the case it would be a terrifying prospect.

Any weakening of the American commitment to the defence of the free world would be a calamity of the first order, since there are absolutely no signs—indeed all the evidence points in the opposite direction—of any new-found willingness in Western Europe to defend itself.

Fortunately this is not what President Nixon has in mind. In a talk with him I had a few months ago he outlined his thinking on precisely this question with notable frankness and cogency. The whole burden of his remarks was that only if America put her economic interests first would it be possible for her to continue shouldering the burden of world defence.

In other words, economic selfishness was not an indication of a lessening of American defence resolve, but a sign of her determination to soldier on. Only by being economically nationalist could she afford to go on being strategically internationalist. Seen in this light the "new deal" does not mark the end of an era; on the contrary, it is a measure of America's determination that the era should continue.

This is the truth that all the allied Governments involved in reacting to the economic crisis should have uppermost in their minds. It is not enough to consider

the problem exclusively in economic and financial terms. No doubt, on this plane, it would be possible for Western Europe to hit back with a vengeance. But the wisdom of such a reaction is profoundly open to question.

What has to be grasped is that an economically strong America is a vital European interest, the essential condition on which our security absolutely rests. Perhaps the Americans are being selfish. But a wider realism demands that we should let them get away with it.

This will call for remarkable reserves of European statesmanship, and a willingness to recognise unpleasant truths, the first and most important of which is that although Western Europe is rich enough to engage in a trade war with America—which she might even be able to win—she is in no position to embark on such a policy, for reasons which bankers and Finance Ministers cannot be expected to understand.

The reasons are starkly simple. Since none of the Western European countries is politically prepared to pay the necessary price for self-defence, common sense and prudence necessitate that we should make it worth America's while to do so on our behalf.

Implicit in President Nixon's policy is a brutal but simple proposition, and it is as well to understand it. Ever since the end of the war America has been prepared to defend the West for free. Now, in effect, America is asking to be paid for her services. She is no longer

prepared to play the rôle of altruistic crusader. She is asking to be treated as something much more like a hard-faced mercenary.

Of course this is not spelt out. There was no mention of troop withdrawals in President Nixon's emergency announcement. But no one on this side of the Atlantic should misunderstand its meaning. It is both a warning and a promise. If America's trading partners react with sympathetic patience and generosity on the economic front, there will be no change on the security front. But if they fail to do this, and throw down the economic gauntlet in return, then it really will be the end of an era.

One would like to think that here is an opportunity for Britain to play a crucial rôle in persuading Europe to exercise restraint and sympathy, and to argue the case for concentrating on the security wood as well as the currency trees. All our instincts, as America's closest ally, must prompt us down this path.

It can hardly be doubted that, in the past, the British Chancellor would have been on a plane to Washington days ago, in an effort to play the part of the honest broker. But because of Mr. Heath's understandable concern to prove our European good faith, he has resisted this traditional reaction, which would certainly have been seen in Paris as a dangerous indication of unremitting Atlanticism. Maybe, in this instance, a little bit of European discretion is the better part of Atlantic valour.

Nevertheless, it is to be hoped that the British voice will not be too muted, and that the European reaction to this momentous crisis in American policy will not be

ing a European protectionist and responding to President Nixon's great request with venomously petty-minded gestures. Europe has not agreed on right thing to do, but at least has not agreed to do the wrong thing.

As for Britain, it should come the present situation as viding a great opportunity. All we of all people have the to lose from protectionism, the most to gain. I should thought, from a system of exchange rates. Moreover if it is a general re-alignment of currencies in the next few weeks could provide us with an opportunity for getting our change rate right for entry Europe—a problem we otherwise have to face in favourable circumstances in months' time.

Those of us who hope work for the ending of totemic the encouragement of rease economic affairs have reason modestly pleased by the ever the past week. Two great da—of American protectionism European counter-protection have been averted, and the tead of exchange which an from the present confusion s likely to be rather more rat than the previous one. surely, is as much as anyone hope for from any one week

Road signs that lead to chaos

by E. S. TURNER

IN Britain the signs say "Warning: Traffic Lights Ahead." In France they say "Attention Aux Feux Tricolores," meaning "Watch Out For The Three-Coloured Fires." Sometimes this is shortened to "Attention Aux Feux." There is also "Attention Au Feu," which means watch out for real fires, and don't start any.

In Britain you do not normally get a running commentary on the state of the highway. In France they are forever telling you that the chaussée is deformed, crumbled, collapsed, unsurfaced, glassy or bombée (I used to think bombée meant bombed, but apparently it means convex). It runs, this deformed highway, between verges which are non-stabilised, not carriageable, newly-seeded, liable to inundations and just plain dangerous.

All of which lends a certain excitement to the Route Nationale. So do those signs which show a

skidding car above the word Bette-raves. Not all of us know that betteraves means beetroot. The sign does not mean that disaffected farmers are liable to lob beetroot at passing cars. It means that there is a risk of skidding on beetroot droppings. Have the French no sign artist capable of portraying this peculiar hazard?

To be fair, their current artist has an unusually spirited picture of a car wheel flinging up boulders at an angle of 45 degrees, and a no-less vigorous picture, captioned *Chute de Pierres*, which shows the same boulders returning to the highway at the same angle. Others think his most graphic work, a real heart-stopper, is the one in which a family saloon careers off a wharf into a choppy sea.

Another sign with a hint of drama reads "To The Chaos." It is to be found not on the outskirts of Paris, but in the Pyrenees. A chaos is a tumbled, rocky landscape, not always as horrendous as the guide-books pretend; though it may be, as I no longer know chaos when I see it.

My least favourite French sign is *Déviation*. A *déviatio* is so much more than an English detour. A *déviatio* is a journey in its own right, an odyssey into the unknown, lasting for anything up to 20 miles. It may take one into a farmyard, or up the drive of a peeling château, or even into a chate.

There's another kind of *déviatio*, even more arbitrary. There you are, speeding along a straight, if deformed, highway, when you spy a tall, uniformed, armed figure standing in the centre of the empty road. Testily, he waves you down an insignificant lane. You indicate that you wish to go straight on, but this only irritates him, and who wants to irritate an armed man? So off you go down the unsigned siderside, into a rustic limbo, muttering, "Is this man a policeman or an impostor?"

I have no objection to the sign *Toutes Directions*, which means that whether you are bound for Nice, Brussels, Brest or Stras-

bourg, you will go down the same narrow, cobbled street. But I doubt whether the residents of narrow, cobbled streets really favour the system.

Then there's *Passage Protégé*. Signs bearing this assurance precede crossroads and mean that you can speed safely across. They inculcate a false confidence. You begin to admire the scenery. You even admire the vast meubleramas, or furniture showrooms, which the French have taken to building out in the countryside. You wonder whether to stop for a *dégustation*, or wine-sampling.

Suddenly there is a hellish honking on your right. That time, it seems, your *passage* was not *protégé* and you are lucky not to have been flattened under 40 tons of *Beie*. "Priority & drive," murmurs your passenger. Gradually the honking subsides and another Englishman gets away with it.

The biggest joke sign in France is the one which shows an old-fashioned klaxon horn with a red bar across it. It means you are in a *Zone de Silence*. A *Zone de Silence* is an area in which multi-wheeled car-carriers, tankers full of explosive gas, shining juggernauts from Rumania and exceptional Convoys of all kinds go pounding through the narrow streets in a crescendo of din.

Of course, there are lovely quiet towns, too. Spas, for instance, with signs mounted in series promising to recondition men and rejuvenate women. Every town makes the most of its amenities. Welcome to Champagne — *Sa Cathédrale*, *Ses Grottes*, *Son Casino*. Or, if Champagne hasn't any of those, it puts a couple of window boxes in the street and says *Ses Fleuries*.

What you really want in Champagne is *San Parking* and while you are seeking it you are whisked to a halt. You have failed to respect the three-coloured fires. These were mounted on a single column, instead of the usual three or four, and the single column was hidden behind a juggernaut. But Champagne is not really fussed and once again an Englishman gets away with it.

Dear Breadwinner

Sorry I laughed when you nearly fell downstairs this morning. Didn't mean to. You were right to be frightened. I was too when I thought of it. The children and I are totally dependent on you. Money would soon run out. Fixing the stair carpet is not enough.

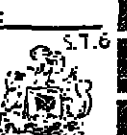
Soon after, your father phoned: "Tell him to give the risk on his life to the Scottish Provident. They are used to accepting risks. In return you get security. It's done so you all benefit—even if he doesn't have an accident."

"He selects one of their endowment assurances. It's only a few pounds a month, whatever he can afford. Then they insure his life for thousands of pounds. Tell him if he doesn't give my favourite daughter-in-law more security I'll disinherit him!" End of message.

Supper is in the oven. Don't burn yourself on the dish. Please fetch me early darling, you know how boring Maggie's bridge evenings are.

Kisses, Tessa.

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"Halt! Who goes there—friend or foe?"

50-50 (L.A.M.)

FOOTBALL CLAMP-DOWN: What went wrong?

'Referees' and verdict

by DAVID MILLER

A disciplinary purge which has thrown soccer into turmoil was both sly and long over. But it was clumsily incited, exposing the Football Association and Football League to a smug, much of which is laced.

Football in Britain has in the past 10 years become permissive in its attitude to physical violence than here elsewhere where the game is played. Cunning and abuse of the laws come to be accepted by managers as professional. The purges were not to introduce laws but to enforce those which were ignored. The Football Association, the secretary of A., has said that it may be sly for the clubs and administrators to get round the law to clarify the position. This has happened before the weekend the League gave referees instructions to apply to the last letter. It was that the players and the referees were given scope for

game had descended into a state of anarchy. Most players had forgotten a clean game was like. Between 1965 and 1971 the figures for misconduct in the Football Association had risen from 879 to 1,000 incidents a year.

What makes the purge so sly is to apply it to those who it out are the same as who have previously been seen to be inadequate. Referees, by making the game of players mandatory specified offences, the referees have removed the referees from the game of their discretion. The result is that suddenly have begun to exact the penalties for comparative offences while still to identify and punish, of the more extreme players. The players are not to be seen to be inadequate, not knowing it to expect, though they can no one but themselves. A violent player has at the end of the whirlwind. When Mulvey, the captain of the Manchester United, the referee, "killing me", he overlooks that the referees, encouraged by the referees, have been exactly that for several

situation now confronting the referees is that they must persist with their well-learned intentions without allowing public sympathy to players to widen the situation-gap still further.



Violence on the field breeds violence on the terraces. But there are also increasing signs of premeditated thuggery among sections of the crowd at certain grounds which is quite unrelated to the standards of conduct in play. CLOSE-UP examines this latest development on football's troubled scene.

Vandals' new viciousness

WITH a whole summer to plan their winter offensive, the dedicated football vandals among Leicester City's supporters came up with a new weapon—steel-tipped umbrellas with the tips filed to a nice, sharp point. Leicester police gathered 40 of them at a beginning of the season match against Liverpool.

At White Hart Lane last week, Spurs vandals displayed their own warped originality. With pocketfuls of industrial staples and a few strong rubber bands, they scored palpable hits on four Newcastle United players.

The weapons are new, the offences are not. When, for instance, Coventry police con-

By PETER GILL

ducted a frisking operation on City fans last season, they turned up this horrific armoury: steel combs sharpened to make steel daggers, snare wire with handles at both ends for garroting, open razors, and an old British army bayonet.

Derrick Robbins, chairman of Coventry City, said: "The thing I keep saying is that if we're not damned careful, the decent-minded citizen is not going to dare come into the stadium. This is beginning to happen. Why should he risk getting his neck cut up if he can see the match on TV anyway?"

But are the clubs themselves doing enough to protect the innocent spectator? Does football really care about its bad name? During two critical games at the end of last season, the referee was found on Manchester United's ground at Old Trafford, and Leeds fans attacked the referee on their ground at Elland Road. Acting with a ferocity that for once, matched the offences, the Football Association closed both grounds for periods of two and three weeks at the beginning of the season.

The financial penalty is severe, and was meant to be. When United played Arsenal "at home", on Friday night, they had to pay 15 per cent of the gate to Liverpool, the club whose ground they used. They also had to compensate Arsenal for a huge loss in prospective gate money (a miserable 27,648 turned up at Anfield, the Liver-

pool ground, compared with Old Trafford's mighty average last season of 45,700). The evening's football, it is reckoned, cost the club about £20,000.

Yet was Manchester United, or any other club that weekly attracts its gangs of persistent thugs, really guilty of indifference?

The gadgetry now deployed to catch the hooligan is as notable as the weapons it is pitted against. Every Saturday afternoon at one of London's 12 large grounds, a policeman is to be seen on the roof of a stand, watching potential trouble-makers through long-range field glasses. A half-brick is raised, and the policeman raises his colleagues nearest the culprit. "Strike with a yellow scarf and a flat hat." By the time the second half-brick is raised for throwing, the fan with the yellow scarf is under arrest.

Clubs with more means can afford to be more sophisticated. West Bromwich Albion has introduced closed circuit television, and a special police control room that doubles on occasions as the detention centre. For his part, Leicester City has 30 plain clothesmen on duty in the crowd as well as the 70 or so uniformed policemen patrolling the ground. Policemen are not cheap. Leicester's bill will be little short of £10,000 this year.

Leicester City secretary John Smith: "What else can we do? We've almost exhausted everything there is. Only punishing these fellows really severely will properly deter them."

Mr. Smith's views are echoed by club officials and police officers around the country. The punishment of football's hooligans, they say, rarely fits the crime.

A senior Midlands police officer: "Magistrates sit on the bench, and all they see is this lad in his Monday morning suit standing next to this big hooligan. They say they go to football matches themselves, but they're all sitting in the directors' boxes. They're not having to separate two bloody howling mobs on Saturday afternoons."

Magistrates, with other things than fearsome punishment on their minds, find that they can rarely provide the most effective deterrent of all: that the football hooligan should simply be prevented from attending football matches.

Courts are currently precluded from ordering rowdies to report to police stations on Saturday afternoons, a suggestion that has been widely can-

Dilemma of a cardinal

NTIRELY recognise," said Cardinal Conway, the Army has had a difficult role to play, at over these years it shown extraordinary care and restraint."

was speaking before lay's announcement there is to be an inquiry into alleged soldiers' brutality the mass round-up of suspects, which he ded a week ago.

must say quite frankly, "that I was shocked and by the evidence I have brutality. It makes me sad to see how a situation like this can arise here. I have no doubt that this effect on some—and I emphasise the some—of an Army which is very high reputation."

imate of All Ireland he is ritual leader of three Roman Catholics in the c and another 450,000 in Did he think his accusa-against the Army had done to calm their resent-ment following the 300 restatement had a therapeutic purpose. Large sections of the population were with indignation at what he said. If people feel that justice has been done and that no one is speaking against them, their indignation will be lessened. I have also overheard with priests interviewed some of the involved.

evidence converges in ways that I have no doubt that they did. I think that men were beaten and killed to the point of death, particularly in the "Camp". The face was all right with indignation. It is a heavy burden of indignation of com-



CONWAY: Unsure

age, determination, honour, authority, but the whole is somehow less than the parts. Conway registers on it as nakedly and rapidly as a child: nervousness, hesitancy, anxiety, endlessly chasing each other in and out of his nice, worried, fidgety hazel eyes.

By IVAN ROWAN in Belfast

He is a child of the Falls. He was reared in part-Catholic, part-Protestant Dover Street, eldest of nine children of a wholesale paint supplier. The street has probably come down in the world; then, it was possible for him to play with Protestant boys who had no idea he was a Catholic.

Nowadays he does not often visit Belfast, which is understandable in view of his lack of contact with the Stormont regime, and the inflammatory state of "Loyalist" feelings, but does not help remove the impression of remoteness.

He is not really a remote man. As he talked, someone began knocking on the window. Two women stood outside, looking in with worried faces, pressed against the glass. "I know the housekeeper gave them something," said Conway. "They're not spies exactly, they're just the knocking started again and he never said exactly what they were."

"Go away," he said, pointing, but they didn't. He sighed and got up and went outside and gave one of the women a 10p piece. "That won't get us very far, Father," she said, or words to that effect. He handed over another 10p. "That's Ireland for you," he said.

And what sort of Ireland does Cardinal Conway really want? Many people think that he privately believes in the ending of partition. He spends more time in Dublin than in Belfast, which is again understandable since the South is the greater part of his parish, but it does not mean that he is a Protestant. Protestants, him to Ulster's Catholics.

How far is his attitude to the Stormont Government conditioned by his role in the South? Would his dilemma be less acute if he spoke only for the North's Catholics?

For it is Ulster's Catholics, many deeply divided within themselves between sympathy for the Republican cause and revulsion at I.R.A. excesses, who most desperately need a clear lead, and this, say Cardinal Conway's critics among his followers, he has failed to give. "He condemns or approves something but always with qualifications so that he keeps a foot in both camps."

He is often charged with failing to denounce terrorism in strong specific terms—but would specific denunciation of the I.R.A. have any effect on the terrorists? No say those who work in the ghettos, but it would give heart and purpose to those Catholics who reluctantly harbour them and thus enable the priest on the beat to loosen the grip of the gunmen.

Now that Internment has so bitterly polarised the Protestant and Catholic camps Conway seems trapped. He cannot take an uncompromising line against Republican extremists without seeming to side with Stormont and the security authorities.

He is 58. He gives the impression of being a deeply unsure man. He decided to become a priest when he was 17 because he says it was born in him that "the Faith would be likely to be under attack in the decades ahead and I felt I wanted to be in on the fight." He meant the fight against what has always seemed to him the greatest threat—Russian or Chinese style Communism, or the age of permissiveness.

As it happens it is a more complex challenge which has come to him at the climax of his life. Represented by thousands of weary, bitter, and burned and bullet-swept streets. In his troubled mind they crowd at his window and rap on the glass, and what should he tell them?

GETTING into a helicopter on the White House grounds on the afternoon of Friday, August 13, Herbert Stein, a member of President Nixon's innermost council of economic advisers, was asked what sort of weekend it would be. "It may just be the most interesting in the world of economics since March 4, 1933," Stein replied.

Just over 48 hours later Stein's startling parallel with the dawn of the New Deal made perfect sense.

A world currency solar system that had the dollar as its sun has suffered a Big Bang. It now looks to be splitting into two galaxies, one centred on the dollar and the other on the European currencies. President Nixon, in announcing to an astonished world last Sunday that America was stepping a 10 per cent import surcharge on goods imported into America, and would sell no more gold to other central banks at the official and agreed price of \$35 an ounce, took a sledgehammer to two pillars of the Western world's economy that have given 25 years of prosperity—free trade and the Bretton Woods gold-dollar standard.

What forced Nixon's hand? His policies were in disarray. Growth had been restored, but inflation was unconquered. There was a growing clamour for stimulus and as it comes policy. The White House declared flatly it endorsed neither and would stand pat.

At the same time the United States' trade deficit widened alarmingly as cheap foreign goods were sucked into America by surging consumer demand.

This was probably the straw that broke the camel's back and led to the 10 per cent surcharge and suspension of dollar convertibility into gold. Governments and central bankers have been watching the seemingly endless outpouring of dollars from the United States into the rest of the world for some years now with growing alarm.

This year it looks as if the United States will have its first adverse trade balance since 1965. It is the culmination of the slow deterioration in the competitiveness of United States goods abroad. President Johnson thought he could run a war and

What forced Nixon's hand

By DONALD LAST and FRANK GOULD in London and ALAN OSBORN in Washington

still keep the United States economy on a peacetime footing. America has discovered she can't and Nixon has had to pick up the pieces. Defence, foreign aid and the Vietnam war have put too many dollars in foreign hands. That plus cumulative devaluations by others, plus inflation, had left the dollar glaringly overvalued. President Nixon had to act, and he matched deeds with words.

From Friday night to Sunday afternoon Mr. Nixon put language around his proposals with the help of speech-writer William Safire. He strove for boldness. If he was to change his stripes so fully, then let it be with a flourish.

Yet if there was astonishment in Europe and Japan at the speed and boldness with which Nixon had moved, the crisis itself occasions no surprise. It has been boiling up for years. It is necessary to go back a bit in history to explain why: back to Bretton Woods in 1944.

Bretton Woods set up the International Monetary Fund and members agreed to keep the exchange rates of their national currencies fixed in terms of the dollar which in turn was tied to gold. Now this means, for example, that £1 not only equals \$2.40, it also has a certain gold content, currently 2.13281 grams of gold per £. When the £ was \$2.80 the content was 2.48828 grams of gold.

This is important: It is one of the major elements in the crisis. The dollar was acceptable as the *lingua franca* currency because it was exchangeable into gold. President Nixon last Sunday broke the tie.

Those who believe gold is a primitive symbol applaud Nixon's action and believe he has driven another nail into gold's coffin as a reserve asset of central banks: that he has "demonetised" it. There are other governments and central banks who don't want gold demonetised and who don't believe

it can be demonetised.

Gold is not just a pretty metal. It was meant to be a kind of governor for controlling the creation of dollars by the United States. De Gaulle's attacks on the dollar in 1968, when he demanded a return to gold, were a politically inspired attack on America's dominant position in the Western Alliance. But he was right on one point: as a reserve currency country the United States could print as many dollars as it wished to finance a balance of payments deficit as long as those dollars were never presented to the United States Treasury in exchange for gold. The United States was in the position of a man who could write his own overdraft.

Now, other countries can't ask the United States to swap gold for their dollars because the United States hasn't enough gold to swap. Dollars in official hands are three times America's \$10,000 million gold stock. The only way out would be to raise the price of gold in dollar terms. That is, devalue the dollar. Instead the Nixon Administration is trying to force other countries to increase the price of their currencies against the dollar (i.e. revalue). In other words, the United States wants the other major rich nations of the world to lower the price of gold in terms of their own national currencies. And they are saying: Why should we?

It may seem esoteric, but there is an important point of principle involved; namely, should the fate of the world's monetary system be decided unilaterally by one member, even if that member is the most powerful nation state in the world?

The other vital threat that runs through the crisis is the price of currencies relative to the dollar. Faced with its massive deficit the United States wants other currencies to be raised in terms of the dollar so that United States exports become

cheaper and foreigners buy more American goods; and foreign imports become dearer so that Americans are less enamoured of Japanese TV sets and Volkswagens. Up-value your currencies and we will drop the 10 per cent surcharge, says President Nixon.

Exchange rates have had a bloody history ever since the devaluation of the pound. Endeavours to keep currency parties fixed against each other have proved futile. The system has got to be loosened up. There are three main responses: to let a currency "float" in price against the other currencies in response to the pressures of supply and demand for that currency. Or to fix upper and lower limits to how much a currency may fluctuate against others. Or to have two-tier markets: in one you keep a currency at a fixed price, and in the other you allow it to float freely.

Forced to act by the American fait accompli, Britain, the Six and Japan, with too little time to arrange a concerted approach and under strong pressure to get the exchanges open as quickly as possible, are trying all three. The Finance Ministers of the Six, hastily summoned to a meeting in Brussels on Thursday, failed to agree on a common front. One spokesman described the meeting as a catastrophe.

One wonders how much this is a smokescreen. Given the enormous gravity and complexity of the issues involved it would have been a miracle if they had agreed.

The immediate task is to get the Americans to cancel the 10 per cent surcharge and size up the response of Japan, whose growing might and competitiveness are a headache for both America and Europe.

But any short-term actions have got to be geared to the possible future shape of the monetary system. What the Six have to decide is should they stay on the dollar standard, or should they set up a separate European currency bloc with its own gold key or unit of account. The issue is a highly delicate one for Britain.

Should the Six move more quickly towards closer monetary union and set up a European bloc floating against the dollar we shall be faced with the choice of tying up with them or trying to run between the two, the dollar and the united Six. It will be an acid test of our Europeanness.

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Accept the GRAND METROPOLITAN offer today and follow the advice of your Chairman, your Board and your Company's Financial Advisers.

If our offer is declared unconditional on 23rd August, 1971 you will receive not only the value of our increased offer but also 15p of additional consideration making a total of about 453p for each of your shares.

Send in your acceptance at once because Grand Metropolitan's increased offer will not necessarily go ahead on this basis unless sufficient acceptances are received by 23rd August, 1971.

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An investment in Ordinary Shares of Grand Metropolitan has multiplied nearly five times since October 1964 during which time an investment in Ordinary Shares of Watney Mann has little more than held its value.

Grand Metropolitan is determined to expand Truman and to avoid redundancies.

Accept the Grand Metropolitan offer and entrust your capital to management which has already demonstrated its ability.

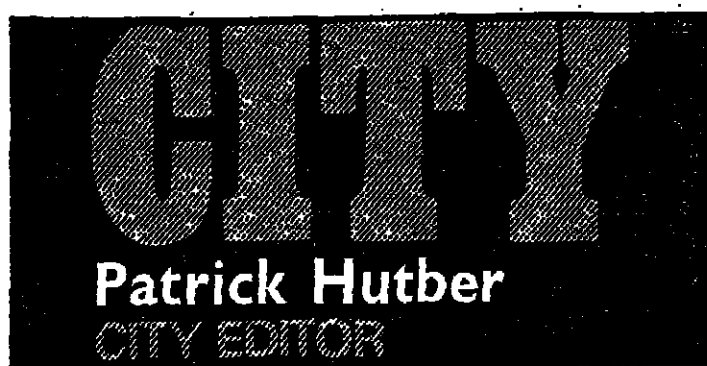
Ignore the Watney Mann offer and any letter you may receive from the dissenting Truman directors. Nothing they can say alters the basic fact—

GRAND METROPOLITAN'S IS THE BETTER OFFER.

Grand Metropolitan's offer closes on 23rd August, 1971.

This advertisement is addressed to Ordinary Shareholders of Truman Hanbury Buxton & Co. Limited and is issued by S. G. Werburg & Co. Limited. A duly authorised Committee of the Board of Grand Metropolitan Hotels Limited has considered all statements of fact and opinion contained herein and accepts individually and collectively responsibility therefor.

20th August, 1971



Patrick Hutber
CITY EDITOR

112, Queen Victoria Street, London, E.C.4.
Telephone No. 01-236 6901.

What price London?

LONDON stock markets were in a dither last week and rightly so. If Wall Street hadn't made its great leap it is hardly likely that London would have ended the week only some three points down, if only because of the uncertainty engendered by Nixon's bombshell.

That apart there is nothing in the Nixon package which ought really to do London great harm. Share markets are in the first phase of a bull market and whatever impact any currency re-alignment is likely to have is probably going to be favourable rather than the reverse. By taking such decisive action, Nixon has at least cleared the air on the dollar problem which was weighing so heavily on Wall Street. More important, the boldness of the move illustrates the determination of the Administration to get the American economy on a growth path again and inflation down, before the next Presidential election in 1972. That's good for Wall Street, and what is good for Wall Street must in the end be good for us.

Let's take a look at the package in detail. With some 22 p.c. of British exports going to the E.E.C. a change in the parity of sterling vis-à-vis other European currencies will produce a useful export and import price advantage in the short term

and probably remove the need for a sterling devaluation when Britain enters the Market. Earnings and assets from European subsidiaries will provide a once-and-for-all fillip to profits and net assets.

On a statistical basis leading companies to gain most are Hoover, which exports 18 p.c. of total output to the E.E.C., Rank Organisation, 15 p.c., Glaxo, 15 p.c., Carreras, 12 p.c., I.C.I., 10 p.c., Associated Engineering, 10 p.c., and Ever Ready, 8 p.c. Among second line stocks a major beneficiary is Renold, which makes between 15 and 20 p.c. of sales in Common Market countries.

On the face of it the losers should be companies with big exports to the United States and large subsidiaries there. Certainly this was the view taken by the market at first last week. In fact the argument is less clear cut. True the 10 p.c. export surcharge is a sizeable barrier and there will be a once for all currency loss on the value of earnings and assets of American subsidiary companies. But at the same time much of this will be offset by a recovery in the American economy.

In the case of so many British exports the Americans are buying luxuries like British Leyland sports cars and Scottish whisky. While a better business climate could well herald a strong recovery for the problem subsidiaries of such companies as Plessey and E.M.I.

Britain, too, comes out against France

WELL, the pound has been upvalued, though rather sooner than I suggested it would be last week. When the foreign exchange market re-opens tomorrow the Bank of England will provide a floor but not a ceiling and sterling will probably be established somewhere in the range \$2.46-\$2.48, i.e., about 3 p.c. higher than the old official parity.

The real importance of this decision is that in action it not in words Britain has aligned herself with the section of Europe which, in monetary terms, is civilised — the Swiss, the Germans, the Dutch and (pianissimo) the Italians — and against the French, who in monetary terms are brutal, backward and barbaric.

It is true that the parity officially remains unchanged at \$2.40. This is a form of words, while the retention of the lower limit is necessary to re-assure the holders of sterling balances overseas. What counts is that monetary good sense has gained the day over political folly.

Throughout last week, it was by no means certain that this would be so. One strong Whitehall school was captivated by the idea that what counted was the entente cordiale. If we were going to go into Europe, it argued, it was essential to demonstrate our Europeanness by backing the French. (The French, as is well known, are much more European than anyone else who happens to live on the Continent.)

Since the French policy was Gaulism without De Gaulle (i.e. punish the Americans for being wicked, and maintain fixed existing parities in Europe by whatever battery of restrictions might be required) this would have been disastrous.

In the event, sanity won through, at one stage, the danger was real enough to dismay such level-headed bankers as Dr. Stopper, Governor of the Swiss central bank. It is pleasant to record that Sir Leslie O'Brien, our own Governor, never

wavered in his support of monetary sanity against political harniness.

What to do with Trumans

THIS week the long drawn-out battle for control of Truman, Hanbury Buxton comes to an end. The first closing date for Grand Met's offer is on Monday, with Wednesday the date for Watney's.

After no less than eight successive offers, much agonising, two (opposite) Board recommendations, and some brisk buying in the market the matter is still poised on a knife-edge. Watney's claim 40 p.c. to date, Grand Met 33 p.c. plus 4 p.c. or so from that part of the Buxton family which supports their offer.

Thus, if the outstanding shares were to split fifty-fifty Watney's would be over the top. Grand Met's hope must be that the split will be two to one in their favour. It professes optimism on the grounds that doubtful institutions will have sold in the market and that small shareholders will be on its side.

There is even an outside chance of a deadlock. Assume 5 p.c. as the irreducible minimum who don't vote, split the outstanding 18 p.c. 50-50 and you

get Watney 49 p.c. Grand Met 46 p.c.

We will soon know. But what of the merits of the case? The first thing to say is that Mr. Peter Hughes, finance director of Truman, vigorously denies that in spite of the auction either side will be paying too much.

He tells me that when Truman itself made a valuation of the business as if it were an investment project, using the same methods as it would use to value a prospective purchase, the value per share came out at 426p. (In fairness he added that its merchant banker's advice was that they would not be able to fend off a bid in excess of 300p but that is a matter of practical stock market economics.) On this reckoning the 450p level at which Truman is being bowed out represents only a modest premium to the purchaser.

Next there is the question of whom to support. How is the man in the street to decide? The Truman board, all of whom must be presumed to be intelligent people with a knowledge of the industry are split; the more traditional brewers among them tend to back Watney, the more commercially minded, Grand Met, though there is some interesting cross-voting among the two groups.

Truman's merchant bankers say that as far as value is concerned there is little to choose between the two offers. Investment-wise, both offer complicated packages. The argument for Grand Met is that its record is much, much better, its

management more successful. The argument for Watney is that since its standing has been lower it has more to gain in share appreciation if the merger works. But it is a big, given Watney's lacklustre record.

In my judgment shareholders are in the happy position of being free to make up their minds on grounds of what they think would be best for the general public and themselves. On that score I have no doubt it would be better not to have Truman swallowed up by Watney. I favour more competing brewing groups and more differing kinds of beer. In the public interest Grand Met gets my vote.

Lucas shouldn't languish

THE market lopped 15p from the Joseph Lucas share price last week (wiping a cool £4½ million off the equity capitalisation) on news that the RB-211 engines were not exempt from the Nixon import surcharge.

Lucas is a major supplier of the components, and though Lucas will be hit, the effect is unlikely to be that significant or serious. Anyway, the engines aren't needed yet, and the surcharge is supposed to be temporary.

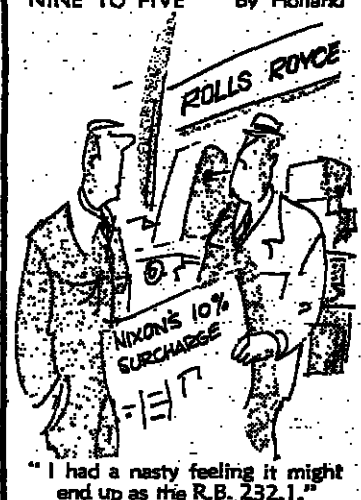
Lucas supplies components to all the big motor-manufacturers and the market ought to be more preoccupied with postulating Lucas's potential earnings rise following the Barber refuelling measures, which will mean a big boost to the motor trade.

Profits for 1970/71 are due in November and they will be usefully higher; the p/e is expected to come down to around 14½ times.

By the current year, 1971/72, could quite easily see an upturn, in profits of about 25 p.c. On this basis Lucas is selling at roughly 10½ times earnings.

The shares have already recovered well since they crashed on the Rolls-Royce collapse earlier in the year and the institutions are still buyers. The chart pattern is bullish and last week's knock presents a good buying opportunity.

NINE TO FIVE By Holland



The wrong lines for Gallaher

LINES Brothers liquidation may have been a shock for shareholders, but what was surprising was that Gallaher should ever have seriously entertained a rescue attempt.

As we pointed out at the time Gallaher's management was showing strong nerves about a deal which would have produced only a modest return if all had gone swimmingly well, which it was not likely to.

There is certainly a lesson in this debacle for Gallaher's diversification team. Equally certainly, the withdrawal from the bid by the Gallaher shareholders off the hook.

The liquidation is also of the greatest importance to everyone in the toy business. After all, it is not often that a company with 30 p.c. of an expanding, if difficult, industry collapses.

Though there is the danger that the liquidator will sell off stock at rock bottom prices, the disappearance of Lines should give the rest of the British toy trade a useful shot in the arm in time.

Some parts of the Lines empire will doubtless be closed down thus reducing over-capacity in the industry. Others will be keenly bid for. A number of British companies are likely to put in bids.

There are the two young aspirant toy barons, John Bentley of Barclay Securities and David Innes of Heenan Bedford as well as the more established toy-makers like Airfix, Meccano and even Leamery, all of whom are likely to be interested. The pram and tricycle/bicycle interests could well go to Tube Investments for its Raleigh subsidiary. In addition, some large American groups are known to be keen to extend further into toys. The stage looks set for something of an auction.

If this is right, the liquidation could realise substantial sums and leave a certain amount over even after the repayment of creditors and the massive loans. As a pure gamble, the 100p preference shares now at 20p could well be worth a mid-summer sunbathe.

How it looks from Tokyo

By AL CULLISON in Tokyo

IT has been made abundantly clear in Washington, the main target of their 10 per cent surcharge is the Japanese Yen is widely regarded as the most undervalued currency in the industrial world and it is only that Europeans would countenance raising their exchange rates against the dollar if Japan did not follow suit.

Even if the Japanese government sees its way clear to do so, however, most observers here feel that flotation of the yen will be avoided at almost any cost, mainly because the Japanese dislike losing control over their financial arrangements.

To some extent, the Japanese realise that the intense pressure exerted by the 10 p.c. surcharge announced by President Nixon is their own fault. They have consistently refused to believe that Washington was serious when the Nixon Administration complained of a yearly trade deficit with Japan close to \$3,000 million.

But the question has been asked why Japan has objected to yen revaluation and why, even after it became obvious that this was Washington's target, the Japanese waited so long before taking the U.S. seriously.

Basically there are three major reasons why the Japanese waited. Since last November, Japan's domestic economy has been in the midst of a mini-recession. They found that the only aspect of the situation which kept their economy from entering a full-fledged depression was rapidly rising exports.

It was evident that exports to the large American market, for example, would climb by as much as 22 p.c. or more in this fiscal year alone. The same period of fiscal 1970, Yen revaluation would have reduced this growth figure to zero, and set back recovery by something between six months and a year or more as it is now being threatened by the U.S. surcharge.

The second reason for delaying revaluation resulted from the millions of big and small contracts written in dollars which would, in event of revising the yen's parity, result in

tremendous losses for Japanese industries. This is particularly true of the shipbuilding industry, despite the fact more than half of their cost now contain protective clauses.

Certainly, revaluation is not help Japan economy. Yet there is another aspect, upvaluing the yen that even Nixon administration may have taken into full consideration.

Shinji Yamashita, Director General of the Ministry of International Trade and Industry (MITI), told the press Thursday that from a point of view of revaluation of yen could have repercussions on the American government. Prime Minister Eisaku Satō (MITI), told the press Thursday that from a point of view of revaluation of yen could have repercussions on the American government. Prime Minister Eisaku Satō (MITI), told the press Thursday that from a point of view of revaluation of yen could have repercussions on the American government.

Perhaps this may seem evident to political observer for more than 15 years the effective cornerstone of ruling conservatives has been a booming economy and full employment. The Japanese have sacrificed themselves worked hard while the praised them for their economic achievements.

Anxiety and bitterness at the Japanese decorative, a sector, have since last day, has brought down the U.S. and the new programme. It could well the downfall of the Sato Government and bring about a new running in favour of the situation and avidly anti-American socialists.

Benelux agreement

THE highlights of the three-nation Benelux agreement, writes Scott Nabokoff in Brussels, are as follows:

1 The Dutch guilder and the Belgian and Luxembourg franc will revert to their relationship to the exchange rates which existed between them before the floating of the Dutch currency last May. Since then the guilder rate has risen 8½ p.c. above the former level.

2 The "agricultural frontier barrier", erected after last May between Holland and the Belgium-Luxembourg economic union, will be torn down. This compensation system, dubbed the "green wall", consisted in subsidies to Dutch farmers to allow them to export their produce inside the Common Market at Community prices expressed in pre-revaluation guilders, and of levies to bring the dealer

Dutch imports also to former rates.

3 The guilder and the B. Luxembourg franc will be from tomorrow, against the dollar and foreign currencies under control of the Belgian Dutch central banks (tiny emblems has no national of its own and uses that of the former level).

The two banks will be concerned to level out excessive fluctuations in Brussels and Amsterdam change markets. To do so, could jointly decide to a stamping currency but probably have yet to "floor" rate at which to vene.

If, for instance, the national bank would buy to support its rate, the national bank would have the same.

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The Merchant Investors Property Bond was launched last year by Old Broad Street Securities—the merchant banking arm of United Dominions Trust.

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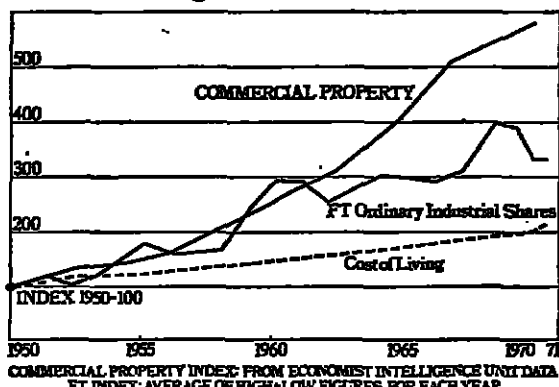
With this kind of backing, it is perhaps not surprising that the Merchant Investors Property Bond has steadily attracted investment to the tune, now, of around £2½ million, but another major factor in its success has been the exclusive appointment as Property Managers of Richard Ellis & Son—one of the most respected names in the whole country.

So the Merchant Investors offer you the dynamism of a young enterprise, the security of the biggest finance group in Britain, and the potential of exciting growth based on the soundest advice available.

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The Merchant Investors Property Bond: how it works. When you buy your Bond your investment is paid into the Property Fund along with that of your fellow Merchant Investors. Your Bond will tell you the number of units in the Fund allocated to you. From then on, you share in any appreciation of the value of the property bought, and the rental income

derived from it. (At the same time, your Bond gives you a life assurance benefit.) And that, in effect, is all there is to it. You're involved in no effort beyond sitting back and watching the Fund do the work for you.

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I wish to invest £_____ in Merchant Investors Property Bonds (any amount from £100)
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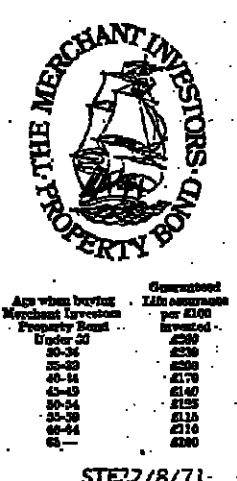
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LITERATURE

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The week in focus

It was a traumatic week. President Nixon effectively devalued the dollar and threw the world's money markets into confusion.

In one of the most sweeping changes of economic policy since the war the American President ended the dollar's convertibility into gold, imposed a 10 p.c. import surcharge and a wages and prices freeze.

Foreign exchange markets remained closed all week but are due to open again tomorrow. A Brussels conference of the Sir and British Chancellor failed to bring a agreement. Most currencies are likely to float while others (especially the French) adopt a two tier exchange system.

The personally adjusted July unemployment figures showed a 75,000 jump to 904,000. This means 3.7 p.c. of the U.K. working force is out of a job compared with 3.4 p.c. a month earlier.

The increase in the cost of living showed signs of slowing down last month, increasing by only 0.9 points to a new peak of 155.2. July's increase is about half the average monthly rise so far this year.

Lines Bros, the Tri-ang, Meccano and Dinky Toys group, went into liquidation.

WITH around half its diamond sales exported to the U.S., the market was taking an apprehensive view of De Beers' prospects after the Nixon import surcharge bombshell. But they would appear to be misguided. The Beers' £100 million-odd diamond sales are in "rough" form and therefore are classified as raw materials and not manufactured goods.

So the company is assuming that it will not be subject to the new measures. A better Wall Street is always good for De Beers and the shares, now at their year's lowest point of 1969, seem oversold.

WEIGHING and measuring equipment maker Avery's should soon find itself on the receiving end of a bid, according to informed sources. The company is benefiting from devaluation and will do well from the eventual changeover to metrication. Market gossip points to Smiths Industries as being the interested party.

RUMOURS have revived of a bid for S. and K. Holdings (formerly Scribbans-Kemp). It has always been a popular takeover stock and with the old chairman's trading in the company progressively coming off, buyers are clearly speculating.

MARKET MISCELLANY

De Beers still sparkle

on S. and K.'s days of indecision being numbered. Avaya Group is another moving higher for the same reason.

DEALERS report some speculative interest in Ashbourne Investments shares. It is suggested that the D.I.J. are going to do with the L.R.C. Kent shares. Rank would then end up with around two-fifths of Kent's equity which it would presumably treat as a trade investment. It may all be wishful speculation. But something is stirring and this story doesn't sound that illogical.

INTERIM results from Hackney and Hendon Grey-hounds this week will show profits similar to those of the previous corresponding period. But the group is looking for substantially better figures in the second half and may make a bullish forecast. The existing property plans are also going well. The shares, at 44p, look worthy of a modest purchase.

A CONFIDENT view of prospects is running through the United Carriers

boardroom, according to those close to the company. The key word is expansion of the group's depots. It claims to be the largest independent express carrier in Britain, and the outlook indeed looks very bright. At 75p the shares are not expensive—selling at 15 times last year's substantially higher earnings.

PROPERTY men are taking a bullish view of London. City and West End Properties there has been some good buying of the shares. Predictably there are quiet take-over rumours. But the buying is more likely to be on the results due shortly.

AFTER all the rumours that a Rank Organisation would bid for George Kent, it is now being suggested that Kent might buy out Rank's instrumentum side. The story then runs that Kent would buy the L.R.C.'s stake in its equity to pass over to Rank in order to finance the deal. That would certainly get round the problem of what the D.I.J. are going to do with the L.R.C. Kent shares. Rank would then end up with around two-fifths of Kent's equity which it would presumably treat as a trade investment. It may all be wishful speculation. But something is stirring and this story doesn't sound that illogical.

"I am satisfied that in FMC we have the ability and the facilities to obtain a still greater share of our own market—in which we already the dominant force—and also to enlarge our export trade."

The year ended 1st May, 1971, yielded the best result since FMC became a public company in 1962. Despite great difficulties and consequent lack of profitability in some sectors of our business, the advances made in others more than redressed the situation as to produce an improvement in group profit before tax of 80% above last year. I see this as a satisfactory stride forward in the development of the company and a source of encouragement to all whose efforts have made it possible.

Group trading profit for the 52 weeks ended 1st May, 1971, amounted to £2,633,796 compared with £2,633,796 in 1969/70. After deducting depreciation of £723,411, hire of vehicles, plant and machinery £260,842, bank interest £458,957 and the Meat and Livestock Commission levy (net) £168,611 group profit before tax amounted to £1,741,486 compared with £2,500,771. Dividends paid during the year to the two classes of preference shares amounted to £225,760 and a final ordinary dividend of 12% (compared with 8% for the previous year) is being paid on 1st September, 1971.

Fresh Meat
The major factors that dominated the fresh meat trading situation during 1970/71 were the continued high prices for all classes of stock and a further sharp rise in operating costs. Prices for stock remained fairly constant throughout the year, except for a short period in the autumn following the increase then made in standard prices. We had, therefore, another year in which we had to seek for high prices from the market in the face of continuing consumer resistance. Nevertheless, we expanded the volume of business in this sector as gross profit margins which were held at the same level as in the previous year.

Marshall Harris
The Marshall/Harris factories had a good year with much increased volume of business, a greater share of the total market and greater profitability. Part of this improvement was due to increased numbers of pigs offered as a result of the better contact and the higher average grading of those pigs. Part was due to successful marketing at wholesale level of the large quantities of bacon we produced.

Copies of the Annual Report and Accounts are available on request to The Secretary, FMC Ltd., 19-23 Knightsbridge, London, SW1.

fresh meat from Britain's farmers

IR

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RECORDS

were smashed on 19th August, 1971, as the Dow Jones spurted in the wake of President Nixon's measures. Monday's 32.53 point leap was the highest ever—the first time more than 30 million shares had been traded in Wall Street's history.

Concern over the future parity of the pound and uncertainty about British industry would be affected caused a general marking down of prices.

TRUST PRICES AND YIELDS

early in the week amid light selling. But a rally on Thursday was carried through. The F.I. index finished down 3.2 points at 488.4.

Lines Bros. opted for voluntary liquidation after the tobacco giant Gallaher decided to cash a £5 million cash injection. One big battle came to an end when Cavenham claimed that

DOWN

it owned 47 p.c. of the Boveri equity and had sufficient further support to put it over 50 p.c. Boveri's shareholding allowed it to offer to lapse.

But Grand Metropolitan topped up its offer for Truman, by 15p to unadvised shareholders, raising its bid to 453p a share compared with the 400p of the current Watney bid.

UP

General Steam ... 110 610
Henry (A. & S.) ... 16 72.5
Royal ... 15 407
Wharf Holdings ... 11 221

Comments
Prop. reval. bid
Undr. Drapery bid
1st L. results
Sterling guar. bid

TRUST PRICES AND YIELDS

ASACUS UNIT MANAGEMENT

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How the experts view the dollar crisis

Continued from page 19

can be blamed on the traditional, and frankly, severe changes in the dollar, while all of its benefits falling taxes, many will from rising employment. Nixon's far from the dollar, has long been, always popular in the U.S. The consequent reaction of the international monetary system will world trade to continue. Finally, he can reflect, enjoy the Heath-type situation. He has also, it may be, ended the Vietnam

growing optimism, period recorded in these pages, is justified.

CTOR MORGAN
Director of Economics
Western University

national world, the dollar crisis would be a trivial matter. In the real of politics and economics, it is some of the most serious risk has probably been, the dollar is overpriced in markets (though rather in terms of some currencies and others) and, as with that is overpriced, exceeds demand.

a system of flexible exchange rates, currency values quickly adjust to such a change. Under the present system, exchange would be permitted under the IMF rule of "fundamental disequilibrium".

are, however, three different about reducing the value of the dollar. First the reluctance of American politicians to do so. Secondly, the fact that many countries have large reserves in dollars. Thirdly, the fact that the

parity values of other currencies are fixed in relation to the dollar. The third difficulty is illusory. The dollar that serves as a unit of account in the IMF is defined in terms of the gold content fixed in 1953. We only need a unit of account with another name (why not go back to the origin of the dollar and call it a "taler") and all currencies could be adjusted in terms of the unit of account. The second point has a little more substance. A fall in the

"In a rational world the so-called dollar crisis would be a very trivial matter."

value of the dollar would mean that dollar is overvalued. But dollar is overvalued, but all dollar holders would share in the loss and it would not be catastrophic. In any case, similar losses could easily be avoided in future by keeping reserves in dollars.

The first point is a matter of national pride which the Americans like to exercise before them. It is most unlikely that any simple course will be adopted. The danger is that there will be a return to a system of exchange control (already there has been a medieval-style entry against speculation).

The best solution likely to be attainable would be a period of floating rates followed by the declaration of new parities.

F. S. McFADZEAN
A managing director
Royal Dutch Shell Group
and Visiting Professor of
Economics at the University
of Strathclyde

WRITING in *L'Economiste* at the end of October 1970 the French Minister of Finance, Monsieur Giscard d'Estaing,

stated: "The system of fixed parities, which one recently attempted to question, no longer seems seriously threatened today owing to its obvious superiority over any other system involving greater elasticity."

The Times of 18th August 1971 "has no doubt" that the pound should remain pegged at the \$2.40 middle rate but concedes grudgingly that "in the very short term as a strictly tactical measure against speculation the Bank of England should be permitted to appreciate the pound above \$2.42 to deal with any sudden avalanche of unwanted dollars."

The intensity of the continuing love affair with the ageing product of Bretton Woods is touching. But the gallantry is being overdone; the noble lady's credentials require closer scrutiny when she throws into confusion foreign exchange and stock markets in particular and business in general.

It is difficult to find any evidence to support the discipline claimed for fixed rates. In the case of Britain in the sixties it is possible to argue with considerable force that the fixed rate system had a destabilising effect and enabled the rake's

progress to continue longer and further than would have been possible under a flexible system.

If the pound had been allowed to float the consequences of the fiscal and financial policies being pursued would have been evident to a wider number of people sooner. These policies could, and possibly would, have been reversed before the situation had deteriorated to the extent which required a devaluation of sterling from \$2.80 to \$2.40. And who really knew whether a 40 cent devaluation was

"When decisions are taken in an emotional or melodramatic atmosphere there is a good possibility of their being wrong"

too much or too little? When decisions are taken in an emotional and melodramatic atmosphere there is a good possibility of their being wrong.

The argument that this devaluation had a sobering effect on Great Britain is also of doubtful validity. The increase in impor-

food costs, combined with the pressures built up by successive floods of wage demands which, if it had not been for the trouble with the U.S. dollar, could well have threatened sterling again. It is at least debatable that gradual changes in the rate would not have had such an impact.

Nor is there any evidence that fixed rates exercised any discipline in the U.S. For several reasons the United States continued to run a balance of payments deficit of a magnitude and duration which had never before been witnessed. A world which had for so long been conditioned to a shortage of dollars was in fact prepared to hold large quantities of dollars.

If the foreign Central Banks had cashed more of their dollars for gold at an earlier date the United States would have been forced to take corrective measures before it did and before the problems had reached their present substantial proportions. Alternatively if other countries as well as Canada, Germany and Holland had floated against the dollar the crisis would not have arisen in its present acute form.

Our current problem is to try



F. S. McFADZEAN

to avoid the imposition of trade restrictions due to the reluctance of countries to devalue, or revalue upwards, when the fixed rates cease to reflect the underlying realities. Recent events should at least have raised some doubts about the adequacy of the par value system.

PETER OPPENHEIMER
Student of Christ Church,
Oxford

GENERAL de Gaulle's ghost must be roaring with laughter. What fools his European colleagues were not to follow his

initiative in 1965 and force the gold/dollar issue at a time of their own choosing, instead of waiting to be caught on the hop by the United States!

As it is, the crisis reflects a failure of economic statesmanship on both sides of the Atlantic, though primary responsibility lies with the Americans.

The acute situation in the exchange markets can be relieved by altering, splitting or floating exchange rates between the dollar and other currencies; but

"The remedy required is a large increase in the dollar price of gold"

this will still leave the world monetary system beset by uncertainty and liable to face new crises at any moment.

The fact is that five years' negotiation by the Group of Ten failed to produce an alternative to the Bretton Woods system enshrined in the IMF Articles of Agreement.

The dollar stands at the centre of this system. Other countries are meant to keep their currencies convertible at pegged (but adjustable) rates of exchange in terms of the dollar, and the United States is meant

to keep the dollar convertible at a pegged (but adjustable) rate of exchange in terms of gold. There is nothing intrinsically wrong with this structure; it has merely been sabotaged by the failure of the United States to fulfil its obligations.

The remedy required is a large increase in the dollar price of gold. This will not only raise the proportion of U.S. liquid liabilities covered by U.S. assets. What is more important, it will increase the annual inflow of new gold (measured in dollars) to the system as a whole.

This is crucial because inflows of newly mined gold represent a reserve gain which is nobody's reserve loss. They therefore define the margin by which countries other than the United States can run genuine surpluses in their external payments without obliging the United States to end up in deficit.

IMF Special Drawing Rights cannot perform this function unless countries come to regard book entries on January 1 as equivalent to surpluses in their actual flow of payments—and even then an SDR-based system would not provide a clear method of defining the international payments responsibilities of the United States.

SPECULATION OF THE WEEK Bluestone bid

aggressive buyer, believed to be an asset-orientated bidder, has been building up a share stake in Bluestone & Elvin, the Luton-based furniture manufacturers. He picked up 1.6 p.c. of the company last week, in the market of 500,000 shares. It is said, they want to the Slater Walker camp. But it may necessarily mean that Bluestone is destined for one of the associate companies. Bluestone shares have risen this year from around 15p to 20p, partly reflecting a recovery in the company's profits, but at the same time reflecting a bid for a bidder is probably Bluestone's last shown at 35p a share. So the bid ought to be seen as a figure than the present market price. The shares certainly worthy of a modest flutter.

MALCOLM BURN

& G fund goes well

G's Compound Growth fund aims at steady, long-term growth. The broadly-based fund, with a variable property, has produced a performance and the fund is one of the few to have a performance index since the data inception in December 1968.

Investment in December 1968, the fund's performance index is one of the few to have a performance index since the data inception in December 1968.

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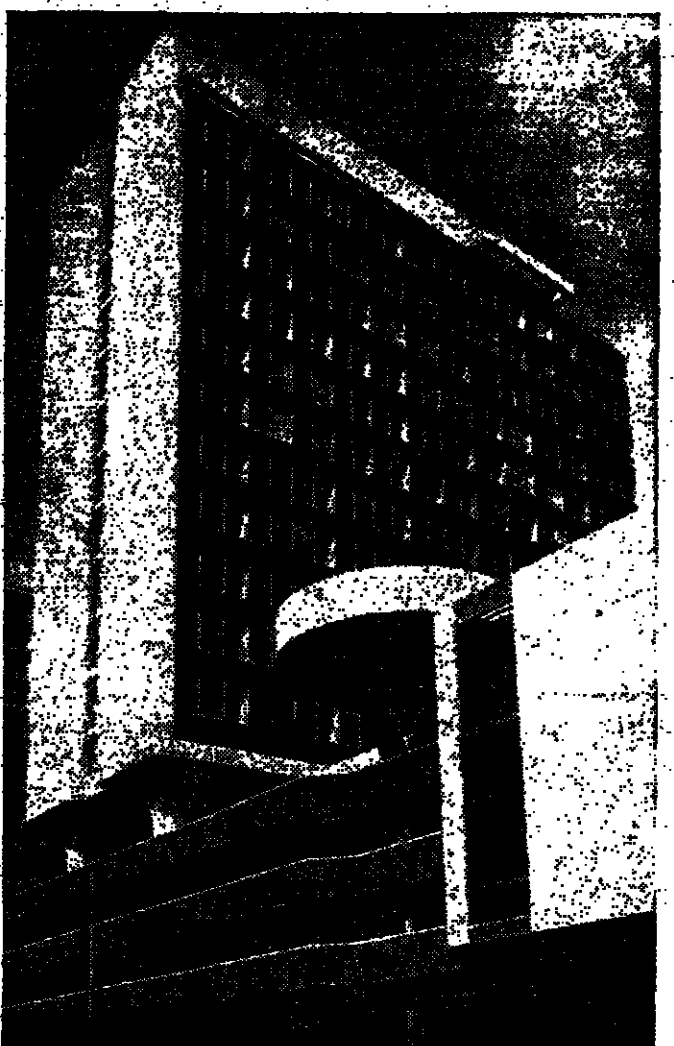
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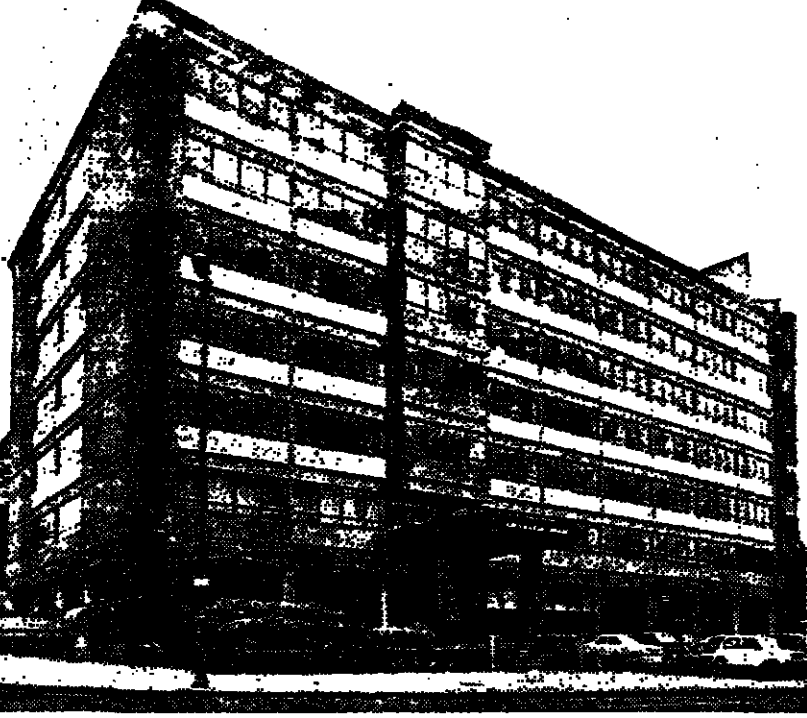
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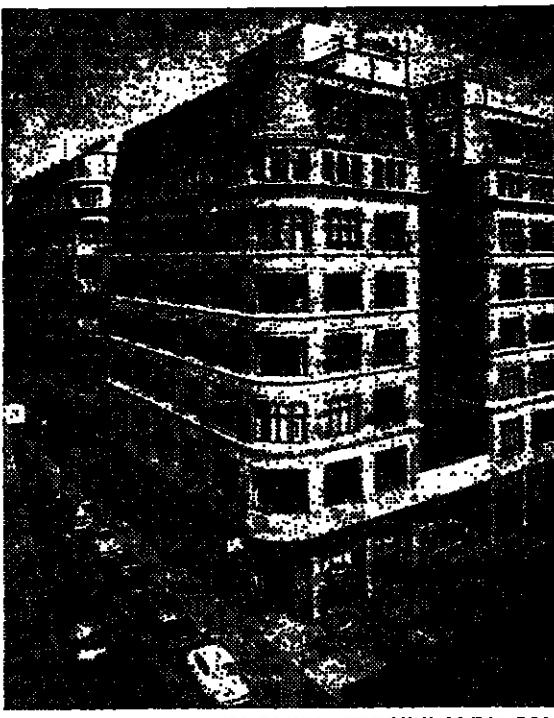
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ANNELE TOWERS, SOUTHAMPTON



DESMOND HOUSE, NEW BARNET



STONE HOUSE & STAPLE HALL, LONDON, E.C.4



40-42 BEDFORD SQUARE, LONDON, W.C.1

Five of eight major properties in the Abbey Property Bond Fund with an aggregate value of £23,000,000.

Now at £58,000,000, the Abbey Property Bond Fund is bigger than all the others put together. That's why we can give you a stake in the best properties around.

Property Bonds have now become a fully accepted and successful method of investment. None more so than Abbey Property Bonds.

So much so that, at the time of writing our fund stands at more than £58,000,000. With this behind us we can purchase, on favourable terms, large individual properties costing millions of pounds each. (As illustrated by the five properties shown above, with an aggregate value of over £14,000,000.)

Most other funds just cannot afford such large transactions.

Obviously, investment on such a scale brings rewards on the same scale, both in growth and security.

In the last 12 months alone, Abbey Property Bonds rose in value by 11.0% (including the reinvested rental income net of tax). To achieve the same result a standard rate taxpayer would have required a gross income of 15.5% on his money.

In the same 12 months, investors continued to place an average of £2 million with us each month.

Which should enable us to move on to even bigger and better things.

Security
The Abbey Property Bond Fund is the biggest and most successful in Britain. We have over 30,000 policy holders with an investment of over £1.8 million.

Abbey Life itself, one of Britain's best known Life Assurance Companies, with assets exceeding £120 million, is a member of the £2,800 million ITT Group.

Built-in Life Assurance
As long as you hold Abbey Property Bonds, which are single premium life assurance policies, your life is assured automatically, at no extra cost.

In the event of your death the amount payable to your family will be either the current value of your Bonds, or the amount shown on the life cover table on the application form - whichever is the greater.

Naturally, if you've withdrawn money from the Fund, the amount of life cover will be correspondingly less.

6% p.a. Tax Free
Provided you make a single investment of not less than £1,000 you may, if you wish, withdraw up to 6% of the value of your Bond each year - entirely free from Income Tax and

Capital Gains Tax.
Provided total annual appreciation is not less than 6%, your Bond would retain its original value (calculated at the offered price of the Units).

The annualised growth rate achieved has in fact exceeded 6 1/2% since the Bonds were introduced.

Income Tax & Capital Gains Tax
With Abbey Property Bonds you have no personal liability to Income Tax or Capital Gains Tax either while you hold them or when you cash them. The Company is liable to income tax on the rental income, at the special Life Assurance Company rate - currently 37.5%.

The Company also has the right to make deductions to cover its own Capital Gains Tax liabilities, but this is not adjusted for in the Unit price. In present circumstances, it intends to limit this deduction to two-thirds the normal rate.

Surtax
Surtax payers are liable to surtax (or higher rate tax after 1973) when they cash in or on death, depending on their surtax situation at the time of cashing in. There are a number of provisions which enable a surtax payer to reduce, and possibly eliminate, the liability and very high surtax payers should contact Abbey Life for precise details.

Investment Policy
The Abbey Property Bond Fund is managed by the Property Division of Hambros Bank. It's invested in top industrial and commercial properties with really sound tenants. To name but a few - National Westminster Bank, Esso Chemicals, The Post Office, W. H. Smith, American Express, IPC and Boots.

Because the value of some types of properties were lower during 1970, some particularly attractive purchases with very good long-term growth prospects were made.

The Fund also buys sites and constructs its own buildings in conjunction with approved developers. Naturally, this is only undertaken with letting of the completed properties guaranteed in advance.

Up to 25% of the Fund can be applied in this way.

Regular Valuations
Once a month a valuation of the Fund's properties is carried out by the Fund Managers and by Richard Ellis and Son, Chartered Surveyors, and an agreed valuation is supplied to Abbey Life. Unit prices are published daily in leading national newspapers.

Low Charges
To pay for life cover and management expenses, Abbey Life charges 5% - which is included in the offer price. Plus a small rounding-off price adjustment.

After that charges total only three-eighths per cent a year.

All expenses of managing, maintaining, and valuing the properties as well as the cost of buying and selling the Fund's investment, are met by the Fund itself.

Cashing in Your Bonds
You can normally cash in your Bonds at any time and receive the full bid value of the Units, subject only to any adjustment for Capital Gains Tax, as described earlier.

In exceptional circumstances the Company retains the right to defer payment for up to six months pending realisation of properties.

However, the Company maintains adequate liquid resources, similar to that of building societies, so in normal circumstances there should be no delay in cashing in.

Disclosure of Information
As a Bondholder, you'll receive our Annual Report with full details of the entire Portfolio.

This includes photographs of the properties. And full financial information to let you see exactly how your money is invested.

As a new Bondholder you'll receive a current Annual Report with your Bonds.

How to Invest
Fill in and post off the completed application form, together with your cheque.

As soon as it's accepted, you receive your Bonds which show the number of Units you've been allocated in the Abbey Property Bond Fund.

Abbey Property Bonds
With so much behind us, it's no wonder we're ahead.

To: Abbey Life Assurance Company Limited,
Abbey Life House, 1-3 St. Paul's Churchyard, London, EC4M 8AR, Tel: 01-248 9111

I wish to invest £_____ in Abbey Property Bonds (any amount from £100) and I enclose a cheque for this amount payable to Abbey Life Assurance Company Limited.

Surname (Mr./Mrs./Miss) _____
Full First Names _____
Address _____
Occupation _____ Date of Birth _____
Are you in good physical and mental health and free from the effects of any previous illness or accident? _____
If not, please give details _____
Do you already hold Abbey Property Bonds or Abbey Equity Bonds or another Abbey Life Policy? _____
Tick here for 6% Withdrawal Plan (minimum single investment £1,000) ☐

*** Send in your application and cheque now to get the benefit of Units allocated at the current offered price of £1.18. Offer closes on Tuesday September 7.**

Age when buying Abbey Property Bonds Under 30	Life Cover per £100 invested
30-34	£220
35-39	£180
40-44	£160
45-49	£135
50-54	£120
55-59	£110
60-64	£105
65-69	£100

Signature _____ Date _____
Commission of 15% will be paid on any Application bearing the stamp of a Bank, Insurance Broker, Brokers, Accountant or Solicitor. This is subject to the usual and advice accepted by the Company regarding present law and interest. No medical evidence will be required in normal cases. The application and life cover come into force only upon acceptance by the Company, and the life cover may be terminated.

